

R 234176

JPRS-CRF-85-013

26 June 1985

# China Report

RED FLAG

No. 8, 16 April 1985

Reproduced From  
Best Available Copy

DTIC QUALITY INSPECTED

## DISTRIBUTION STATEMENT A

Approved for Public Release  
Distribution Unlimited

19991221 074

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

9  
93  
A05

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 June 1985

## CHINA REPORT

### RED FLAG

No. 8, 16 April 1985

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

### CONTENTS

On the Party's Journalism Work--Speech Delivered at a Meeting of the CPC Central Committee Secretariat on 8 February 1985 (pp 2-12) (Hu Yaobang).....	1
Constantly Think of the Party's Fundamental Purpose (pp 13-14).....	18
Development of the Rural Economy: Several Social Objectives (pp 14-19) (Du Runsheng).....	20
Lead the Masses in Getting Rich and Adhere to the Socialist Orientation--A Talk Commencing With Increase of 100 Yuan in Rural Per Capita Income in Baoding Prefecture (pp 20-22) (Xing Chongzhi).....	32
An Historical Conference Which Shoulders Heavy Responsibilities-- In Commemoration of the 30th Anniversary of the Afro-Asian Conference (pp 23-26) (Huang Zhen).....	37
Building Leading Groups Requires Destruction of Old Concepts (pp 27-28) (Li Lian).....	44
Let Criticism Yield Good Results (pp 29-31) (Cui Ying).....	48

Cadres Who Are in Charge of Cadre Management Must Also Be Better Educated (p 31) (Xi Siyou).....	53
A Tentative Discussion on Basing Prices on Quality (pp 32-35) (Lu Nan).....	55
The Danger of Blindly Comparing Workers' Income (p 36) (Jing Ping).....	62
Establish a Capital Construction Management System Which Is Full of Vitality (pp 37-39) (Wang Deying).....	64
On Two-Civilization Households (pp 40-43) (Wei Shi).....	70
A Good Form for Promoting Theoretical Work (pp 44-45) (Shi Youxin).....	77
Develop Truth by Following the Law of Truth Itself (p 45) (Li Xiulin).....	79
Be Cautious When Talking About 'Left' and Right (p 46) (Xie Yun).....	81
'Opening a Window' and 'Installing a Window Screen' (p 47) (Gan Feng).....	83
Is the Monk's Musical Instrument Really Effective?--Thoughts From Reading 'Door Bell' (p 48) (Lan Ling).....	85
'Read Only When You Have a Good Bibliography'--Introducing 'Study Some Bibliographies' (inside back cover) (Ling Xiao).....	88

ON THE PARTY'S JOURNALISM WORK--SPEECH DELIVERED AT A MEETING OF THE CPC  
CENTRAL COMMITTEE SECRETARIAT ON 8 FEBRUARY 1985

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 2-12

[Speech by Hu Yaobang]

[Text] I. The Question of the Nature of Journalism Work

What in fact is the nature of our party's journalism? In its most important sense, in a word, I think it can be said that the party's journalism is the party's mouthpiece, and naturally it is the mouthpiece of the people's government, which is led by the party, and also the mouthpiece of the people themselves. Of course, these words cannot encapsulate the entire contents and role of the party's journalism. For instance, it is a kind of tie and bridge linking the party to the masses, and also an instrument for conveying information among the people, inside and outside the party, and inside and outside the country, and so on. However, since our party serves the people wholeheartedly, and the party's work line comes from the masses and goes to the masses, for the party's line comes from the masses and goes to the masses, for the party's journalism to be able to fully play its role as the party's mouthpiece, then this naturally includes the role of conveying information from the upper levels downward and from the lower levels upward, the role of strengthening ties between the party and the masses and reflecting the masses' cries, and the role of satisfying in every respect the masses' requirements for information. Hence, as far as its most fundamental characteristic is concerned, the party's journalism is the party's mouthpiece. This is not just tenable but also unshakable.

There are many journalism units in our country; I hear there are now several thousand, and there are bound to be many differences between them. For instance, JIEFANGJUN BAO should be the mouthpiece of the Central Military Commission, GONGREN RIBAO, ZHONGGUO QINGNIAN BAO and ZHONGGUO FUNU BAO should be the mouthpieces of the All-China Federation of Trade Unions, the CYL Central Committee and the All-China Federation of Women; the provincial papers should be the mouthpiece of the provincial CPC committees and governments; these are differences. However, no matter whether it is the PLA, the Federation of Trade Unions, the CYL, or the provincial CPC committees and governments, all of them are under the unified leadership of the CPC Central Committee, and all of them work in accordance with the line, principles, and policies of the party; and so these differences do not and

should not affect the fundamental nature of their papers as the party's mouthpiece. If it were not so, if the fundamental nature of these papers were actually affected by these differences, would they not be deviating in orientation? As for the papers of the CPPCC and the democratic parties, together with various specialized and technical journals of certain professional departments, there are some differences in nature, and they naturally cannot all be lumped together, nor can they be called the "mouthpiece of the party." This point is also very clear. In short, the question of the fundamental nature of the party's journalism is a key question. Certain veteran comrades may be indifferent regarding this, and certain young comrades who are just starting work and lack basic training may not have a very good understanding of this basic viewpoint. We should work patiently with them, and help them to undergo a little basic training.

Recently, through discussion, everyone has held that there must be complete freedom of creation in literature and art. Can journalism copy this slogan? I think it should not simply copy it. Of course, our journalism and our literature and art should enjoy the rights of freedom granted by the socialist system and the constitution. Certain comrades say that the liveliness and vigor of journalism in recent years are without precedent; I hold that this statement accords with the facts.

This also shows that we have already improved our leadership over journalism and respected the decisionmaking rights that the journalism units should have. Despite this, however, I prefer to say that the nature and functions of journalism and of literature and art are after all very different. The party's journalism has to speak on behalf of the party and government and voice opinions and provide guidance for work in accordance with the party's line and policies. Although not every article or report carried by newspapers, news agencies, and broadcasting stations provides guidance, and many are only personal views and observations, the main pronouncements of the party's journalism organs and their major reports on domestic work and foreign relations should represent the party and government and not just the editor or the reporter. Literature and art are very different. The social role that writers and artists should play is not to be the mouthpiece of the party and government, give opinions on their behalf, and provide guidance for some work or other, but to encourage and educate the people through their individual literary and artistic creation based on in-depth observation of life, and thereby produce a subtle influence on people's souls. This role is precisely that old saying which Comrade Xiaoping often quotes--the role of "engineers of the soul." It is true that party writers will display party spirit in their own writings, and party writers and those writers who support the party's line, principles, and policies will express the voice of the party in their works, but the party should at no time stipulate what this or that writer should write about. It is precisely for this reason that Comrade Hu Qili recently stressed in his speech delivered on behalf of the CPC Central Committee at the Writers Association Congress that there is a marked individual characteristic of the writer in literary creation, that writers must to a tremendous extent bring into play their individual creativity, perception, and imagination, that they must have complete freedom in choice of subject and main theme and in expressing their own thoughts, and must have

freedom of creation; in this way they can write works that are influential and truly play an educational role.

Proposing freedom of creation certainly does not mean that editorial boards of newspapers, publications, and publishing houses must publish any kind of work that the writers produce. People's freedom and rights are always inseparable from a certain degree of responsibility and obligation, and there is no freedom without responsibility or rights without obligations; there has never been such a thing as absolute freedom. This is the case in all ages and all societies and with every individual; there are only some differences in the nature and scope of responsibilities and obligations in different ages and societies and with different individuals. In 1920 Lenin said to Zetkin when talking about the freedom of creation advocated by socialism: "In a society based on private ownership, artists produce works for the market; they need buyers. Our revolution has already removed from artists the pressure of this most senseless situation. The revolution has turned the Soviet state into a protector and appreciator of artists. Every artist and every person who hopes to become an artist can have the right to create in freedom in accordance with his ideals, whether the results of those ideals are good or bad. In this way you will encounter excitement, experiments, and confusion. However, naturally we are communists. We absolutely cannot be in a state of inertia and allow confusion to spread at will. We must consciously strive to guide this development, and form and determine its results." Lenin said: "Art belongs to the people...it must unite the masses in feeling, thought, and aspiration, and enhance them." Lenin also said: "Our workers and peasants really should enjoy better things than the circus. They have the right to enjoy true, great art. Hence, it is first necessary to institute the broadest mass education and training work. They are the soil of culture.... From it will grow truly rejuvenated and great art whose forms are regulated by its contents."

It is a great pity that the extremely important ideas expressed by Lenin in this long talk have for a long time not been given attention by our party and by our country's literature and art circles. This talk provides us great help in understanding the meaning of freedom of creation. Today our writers, engaged in creation in a socialist country, naturally enjoy complete freedom of creation. However, our party still has the responsibility to present to them completely comradely suggestions and advice when necessary, while the socialist state has various laws and regulations regarding publishing. The editorial boards of our publications, papers, and publishing houses can also make a choice and have the right to decide whether or not to publish a work. The decision of the editorial board might not be correct, and the writer has the right to demand that it revise its decision and even to demand the reorganization of the board, but in principle, writers can never use their own freedom to deprive the editorial board of freedom. There is even less need to mention that the party's journalism work must be under party supervision.

Then, can the party's journalism work be placed on a par with reform of the economic structure, by saying that since the enterprises should become relatively independent commodity producers, the party's journalism departments

can also be run like that? I hold that it is very imprecise to put it that way. In fact, even the reform of the economic structure is only a reform of the operational management system and not a fundamental change in the nature of the ownership system. The sole aim of invigorating the socialist enterprises is to establish a socialist economic structure full of vitality; it is impermissible to change the nature of the socialist public ownership system. As far as operations are concerned, the party's journalism organs are a kind of enterprise, but they are first of all organs of public opinion. No matter what kind of reforms we are carrying out, we absolutely cannot change in the slightest the nature of the party's journalism or change the relations of this work to the party. It therefore will not do to copy in journalism certain expressions used in reform of the economic structure without analyzing them.

Is it good for journalism to be the party's mouthpiece? Is it honorable? I hold that the clear-cut reply should be: It is very good, and it is very honorable! Our party and government regularly need to put forward in various forms important ideas to the people of the whole country and indeed to the whole world, and this requires the use of various channels, including commissioning certain departments to express these ideas. The journalism departments are an indispensable channel and department, and even the most important one.

How great an honor is it to speak on behalf of the party? Only those people with a high level of ideological and political understanding are equal to this task! Shortly after liberation, there were many people who were not qualified to become PLA fighters or party members. However, out of envy, they wore cadre uniforms in order to show that they longed to become PLA fighters or communists. Later, during the "Cultural Revolution," we ruined our own image. Thus, there were people who found the Communist Party not reputable. However, that was only a transient phenomenon. After setting things to rights, the party has enhanced its prestige. Now the masses at home and people abroad are willing to read our newspapers and listen to our broadcasts because, in the first place, they want to know promptly what our party's Central Committee is advocating and doing. Thus, the prestige enjoyed by the party's journalism is a result of the Central Committee's prestige and the central people's government's prestige, as well as a result of its faithful transmission of the central authorities' views. If it does not faithfully transmit the central authorities' views or if it departs from the central authorities' views, how can it have acquired the enormous prestige it enjoys today? Does this not vividly picture the relations between the party's journalism and the party?

This also indicates the differences between the journalism of our country and that of capitalist countries. To be sure, it is necessary to earnestly learn from journalism in capitalist countries and to learn from their writing, editing, relaying of information, their advanced technologies, and their advanced administration. However, we must not learn from their bourgeois fundamental principle of journalism work because our social systems differ. I have heard the opinion that since there are both individual and collective enterprises, the same thing can be applied to journalism. Why can there not be different voices in our country? My answer is



that it is necessary to do some political analysis. In the West, in capitalist countries, newspapers representing the official stand are generally not very popular. Thus, their newspapers usually have "nongovernmental color" and the appearance of "newspapers run by the people." In fact, quite a few of those newspapers "run by the people" are run by newspaper groups which are backed by financial groups. In our socialist motherland, the interests of the party and the government are identical with those of the people and the party's newspapers are the people's newspapers. In addition, we run newspapers by relying on the whole party and the people. This makes it possible for our party's journalism work to be founded on a broad mass basis. This is a correct road. It is very improper if we deviate from this road and think that only those individually run or collectively run newspapers can be called "democratic newspapers." As for the question of different voices, it depends on the issues on which there are different voices. As regards the country's political orientation and basic policies, since, as said above, our people have identical fundamental interests, the political orientation and basic policies of the CPC Central Committee and the State Council represent the people's interests. Thus, everybody will naturally and necessarily hold the same opinions on these basic issues and it would be unnatural to obstinately express "different" voices. People's opinions on various specific issues naturally differ greatly. These different voices are frequently aired in newspapers and periodicals. Many good voices are encouraged by the party and well received by the people. If people have not expressed enough opinions, I hope they can express more. This is an indicator of the normal development of the people's democratic life in our country.

I have also heard the view that the capitalist countries are more democratic than ours and that their political systems are better than ours. Everyone knows that the capitalist countries are ruled by people representing the interests of a few exploiters, whereas our country is governed by the majority of the people and their representatives. Is it not clear which of the two systems is better and more democratic? Of course, the governments of capitalist countries also do things beneficial to the people because this is required by both the peoples and the capitalists. On the other hand, our party and government also make mistakes. This may be a result of our lack of experience or a result of the infiltration of evildoers into the party or the government. However, all this cannot change the nature of the question at issue here. Some people are of the opinion that because of the coexistence of different opinions in capitalist countries, they are more "democratic." This view is not supported by in-depth analysis. In capitalist countries, two classes with conflicting fundamental interests coexist. They are the exploiting class and the exploited class. The exploiting class is made up of cliques and groups with different interests. Thus, it is only natural that their opinions differ.

In fact, even in countries where bourgeois democracy prevails, different opinions are generally not given full expression. Except in a few countries where the advanced forces are relatively more powerful, the laboring peoples and the bourgeois opposition parties with rather insignificant strength cannot easily own publishing houses and newspapers with a wide circulation, not to mention radio and television stations.

Unlike that in capitalist countries, our party's journalism is the mouthpiece of the party and the government. Our party and the state serve the people. Thus, the party's journalism can totally represent and give expression to the voice of the broadest masses of people. Being the party's mouthpiece is basically the same as giving expression to the voice of the people. Of course, it is precisely because of the different nature of the two social systems that we must make their differences clear and explicit. As regards the tortuous historical course of the development of our party and the country, we should be able to see that if the line adopted by the central authorities is correct, things will become easier. However, if the line adopted by the central authorities is incorrect, for example, the line adopted by the central authorities during the "Cultural Revolution," things will become complicated and, under such circumstances, we cannot simply say that being the mouthpiece of the central authorities is the same as giving expression to the voice of the people. However, that is only a very special exception. Even under those exceptional circumstances, problems can only be solved, in the final analysis, by relying on nothing other than the joint efforts made by the party and the people. Has this not been proven by history?

We should also be able to see that journalism does not easily become a successful mouthpiece of the party. The Central Committee of our party and the State Council do not directly air their voice every day. Their voice refers to the speeches and talks delivered by our leaders on behalf of the party and the state, and to documents. Let us take documents as an example. In the 6 years or more since the 3d Plenary Session of the 11th CPC Central Committee, the largest number of documents officially issued in a single year by the CPC Central Committee has been more than 50. Last year, more than 20 documents were issued. The number of documents issued by the State Council is a little greater. Last year, it issued more than 170 documents, including some specific stipulations on some individual problems. We do not very frequently hear from the central authorities directly. However, news reports must be addressed to the people each day or even each hour. This requires that our news workers have a high degree of enthusiasm, initiative, creativeness, and a spirit of taking responsibilities independently and give full play to their initiative in their work under the correct leadership of the party. Only in this way can we unremittingly publicize, with vast quantities of facts and opinions, the views of the central authorities. Thus, journalism's role as the party's mouthpiece is fundamentally identical with its role in giving play to its enthusiasm, initiative, and creativeness. It is wrong to suggest that the stress on the role of journalism as the mouthpiece of the party will lead to the restriction of its enthusiasm. Of course, under certain circumstances, contradictions may occur in specific work. For example, the party committee may interfere too often and its criticism may be too harsh or the news workers may violate discipline. However, these contradictions must only be resolved by improving the guidance for specific work. We must not for this reason demand that such basic problems as that of the nature of the party's journalism work should be "freed from restrictions."

Under the premise that journalism should make itself a successful mouth-piece of the party, we should vigorously encourage the enthusiasm, initiative, and creativeness of journalism workers and not restrict their enthusiasm, initiative, and creativeness.

Still less should we ask the newspapers, the radio, and the television stations to totally resemble one another. Various news media, such as the newspapers, the radios, and the news agencies, should coordinate their work and strengthen their cooperation and division of labor between themselves. Reports on important news and documents should be exclusively released by the XINHUA NEWS AGENCY. At the same time, the other news media should strive to have their own characteristics, viewpoints, stresses, styles and outlooks in their work. (Comrade Xi Zhongxun: There cannot be total uniformity and we do not ask for that.) In 1955, Comrade Mao Zedong wrote an article entitled "In Refutation of 'Uniformity of Public Opinion'" to criticize Hu Feng. At that time, Comrade Hu Feng was considered to be a counterrevolutionary. That was a wrong judgment. The central authorities have announced Comrade Hu Feng's rehabilitation. However, in this article, Comrade Mao Zedong did a good job by pointing out that public opinion in our society is at once uniform and varied. To this day, it is still worth studying and understanding. However, the nonuniformity referred to in his article mainly refers to the situation in which both the advanced and the backward among the people freely use our newspapers, journals, and platforms to compete. He did not mention the diversity of styles, outlooks, means, and approaches. This diversity is very different from the contradictions between the advanced and the backward. It does not call for the overcoming of one party by another. It must precisely be vigorously enriched and developed.

## II. The Problem of the Tasks of Journalism Work

The nature of journalism work determines its tasks. What are the main tasks of the party's journalism work? They can be summed up as using a great quantity of vivid facts and speeches to promptly and accurately spread to the whole country and the whole world the ideas of the party and government, and the opinions and activities of the people in various quarters. Here, we stress a great quantity, rather than a small quantity; vivid rather than dull facts and speeches; and spreading them quickly and accurately rather than slowly and inaccurately. Whether a press unit has done its work well should be judged by whether it has accomplished this main task well. If it has accomplished this task well, this means its work is correct. If it fails to accomplish it or to accomplish it satisfactorily, this undoubtedly means there are deviations in its work.

What is the aim of the tasks which our party assigns to the journalism circles? The aim is to arouse the broadest masses of people to strive for the realization of the ideas of the party with one heart and one mind. In the present historical period, we promote the four modernizations program at home with one heart and one mind. Internationally, we should strengthen our mutual understanding, friendship, and cooperation with the people of various countries. (Comrade Wan Li: We should also oppose hegemonism and

safeguard world peace with one heart and one mind.) Just remember that just after our party was founded, we had neither newspapers nor radio. We only had a publication called XIANGDAO. Later, XIN QINGNIAN became an official publication of the party. Here, we set aside this matter. XIANGDAO is a good name. It means leading the way. The first news agency of our party was HONGSE ZHONGHUA. This was also a good name. It expressed the goal which we intended to attain: building a socialist China based on the people's democracy rather than a China under the dictatorship of the landlords and bourgeoisie. Just see, XIANGDAO and HONGSE ZHONGHUA distinctly demonstrated the nature, aim, and tasks of the journalism front of our party. With such a boldness of vision, our party's journalism entered the political arena under extremely difficult conditions.

It is absolutely appropriate to say that since the first day of the founding of our party, working together with other fronts, the journalism front of our party has undertaken the tasks of understanding China, transforming China, understanding the world and transforming the world. Therefore, the nature is clear and definite, the aim is clear and definite, and the tasks are also clear and definite.

It is no light, easy, or simple job for our journalism front to shoulder the tasks. This is not only because the requirements themselves are not simple, but because there are not many direct voices of our CPC Central Committee and the State Council, as we mentioned above, but also because the masses very often need to undergo a process to understand and accept the ideas of our party. At the beginning, people do not understand, or even doubt our ideas. This frequently happens. One idea is accepted. Later, with the changes of the environment, the party puts forward a new idea. Again, people do not understand or doubt it. In addition, a very small number of people might distort and oppose it, so the situation would become more complicated.

Therefore, our journalism workers should be good at conducting propaganda and explaining. Only thus can they convince the broad masses of people. We should work among the people, but march at the head of their column. It is utterly absurd to adopt the method of standing above the people and putting pressure on them. We are not allowed to do so. Lu Xun said a long time ago: To hurl abuse or utter threats is no way to fight. For many years during the "Great Cultural Revolution," some people relied on hurling abuse, uttering threats, bragging, and indulging in empty and stereotyped talk. They put pressure on people, made people suffer, and wielded the big stick. What was the use of doing so?! At that time, they had the impudence to force the people to sing: "The Great Cultural Revolution is good. It is good. It is truly good." It is truly ridiculous! Of course, the "Great Cultural Revolution" itself was wrong. People could not be convinced no matter what kind of propaganda gimmick was employed. However, even if a thing is correct, it is not a simple and easy job to persuade people to understand it. Strenuous efforts must be made. In addition, good ideological content, and a strong and skillful capability for expressing our ideas are also needed. For example, since the convening of the 3d Plenary Session of the 11th CPC Central Committee, the series of correct policies

have produced the desired result. In particular, the production responsibility system in the rural areas has obtained results. Many foreign friends admire our success. However, very often they do not truly understand the cause and effect of the matter. This requires that our journalism workers use common and vivid expressions and other means to explain the matter so that people will easily understand it. It is by no means a simple thing to convince people.

Apart from the above-mentioned factors, there is one thing we should mention. In the process of implementing the correct policy and ideas of our party, we very often encounter obstructions and interference. Since the implementation of the decision on the overall economic structural reform adopted by the 3d Plenary Session of the 12th CPC Central Committee, the economic situation has been good on the whole. The situation in reform is also good. However, some problems have occurred, including some unhealthy trends. These unhealthy trends disrupt the economy, rather than enliven it. They undermine rather than promote reform. (Comrade Wan Li: They do not benefit the prosperity of the country and people. They benefit the interests of small groups and individuals. This means abusing power to seek private gains.) In this respect, we should rely on our journalism circles and media to raise a cry of warning, to expose and criticize these unhealthy trends. Don't we say that everyone is equal before the truth? Let us discover and obey the truth, distinguish right from wrong, and differentiate between the true, the good, and the beautiful and the false, the evil, and the ugly!

In a word, we say that our party's journalism should become the mouthpiece of the party. However, this does not mean that our journalism workers can only copy the remarks which have been uttered by the central authorities. What we mean is that a wide prospect is offered for our journalism workers to carry out their reporting and express their views in accordance with their correct understanding of the objective matters as long as they conform with the line and policy of the central authorities. They can give full play to their enthusiasm, initiative, and creativity. This required that our journalism workers have a good state of mind. It is no good if they lack the spirit of working hard, fighting unswervingly and making progress. It is no good if they lack the spirit of going deep among the masses, forming ties with the masses, seeking truth, absorbing new knowledge, continuously steeling themselves, and enhancing their capability. Comrades working in journalism circles should think about Zou Fentao, an outstanding representative in the history of journalism in our country. He struggled hard all his life. He never rested on his laurels. He always felt: "My knowledge is meager, and I must keep on learning while doing my work." During the White terror of the KMT reactionary rule, he shed his heart's blood in order to strive for democracy and spread the truth. As he pointed out: "I am willing to do so even if I drift from place to place, and live under hard and dangerous conditions." The thing which he appreciated most in his life was: "My entire spirit is merged with my work." We still remember a famous saying of Lu Xun: What I eat is grass, what I give is milk. This was his self-portrayal. This was also his good explanation of the "willing ox." The material treatment which society gave to Lu Xun was too meager, but his contributions to society were incomparably great! The

fact that Lu Xun died young was obviously connected to overworking under meager material conditions. When we think of this, we believe that our comrades will correctly treat some problems and difficulties occurring in their life. In our ranks, honor belongs to those comrades who unswervingly strive for the interests of the people, and are bold in dedicating themselves to the great cause. The state of mind of being irresponsible, reluctant to make progress, muddling along, and resting content with lagging behind should be despised.

### III. Basic Requirements for the Successful Handling of Journalism

This is also a long-standing controversial issue in journalism circles. According to traditional and accepted opinions, journalism under whatever social conditions must bear a number of necessary characteristics and must follow some general rules. When handling journalism, our proletarian party also follows these general rules by and large. Then, how should we look at these "characteristics" of journalism?

First, veracity. Ours is a proletarian party, so it is certain that we must ensure the veracity of our news reports and must view and describe things as they really are. We consistently stand for seeking truth from facts and guarding against any exaggeration and boastful remarks, because this goes against the very nature of the proletarian party. However, there is always a dispute over the definition of veracity. For example, what is the reality in socialist society? We hold that the mainstream of socialist society is bright and at the same time there is also a seamy side of things. We do not deny the existence of the seamy side, but it is just a nonessential side of things in socialist society. In a large country like ours, it would be very easy for someone to collect a hundred scandals each day and publish them in the newspapers if he wanted to do so. These one hundred stories may be reported by one single newspaper with four full pages, then the newspaper could show a thoroughly dark picture of our country. Each of the stories might be true, but it would not be true to say that the stories represent the entire scene of life in socialist China.

Of course, neither would it be true if we go to the other extreme and say that everything in our socialist society is good and excellent and that no evil or defects exist. Therefore, we told comrades in the journalist circles last year that in general, our newspapers should give 80 percent of their space to reporting good things and achievements and give the remaining 20 percent of their space to criticizing the seamy side of things and to exposing our shortcomings. This not only conforms with the reality of our society, but will also promote party rectification.

The issue of veracity is one over which we have argued for a long time with some writers. Some writers always say that their works reflect the truth, but they fail to realize whether their works have faithfully reflected the overall situation in our society and whether these works can inspire people to create a new life or not. If a writer writes something that shows no hopeful future for our society and our people, how can we say that his works conform with the actual course of historical development and that the writer

himself has faithfully performed his social duties? Here, I would like to quote a passage of Marx when he criticized the censorship order issued by the Prussian Government: "The main demonstrative form of spirit is cheerfulness and brightness, but you argue that gloominess is the sole and legal demonstrative form of spirit; you just allow spirit to be dressed in black, but there is no black flower in nature." Marx criticized the Prussian Government's order which required all journals and newspapers to take only one color, the official color. Now, that kind of official color criticized by Marx does not exist in our country. Our party adheres to the cultural policy of letting a hundred flowers blossom and a hundred schools of thought contend. That is, we hope for a more colorful scene in our literature, and the colors used to describe the joyful and bright new life and the struggle for this new life are certainly brilliant, bright, and gay. We should reflect both the bright and dark sides of things, but the purpose of exposing the dark side is only to educate the people to eliminate it. We have the confidence to eliminate the dark side in our society, so we should not show gloomy feelings even when writing about the dark side.

As far as the news reports in capitalist countries are concerned, some people in our journalism circles think that they are more faithful to facts than our news reports, and that journalists in capitalist countries are more courageous than we in exposing scandals. I do not think so. For example, our present political situation is unprecedentedly stable, but newspapers and radios in the West often spread rumors on the basis of some hearsay evidence. They even said that the Chinese political situation was not stable enough and that the "conservatives" were trying to overthrow the "pragmatists" and that the army did not obey the central authorities and so on. How can this be true? Sometimes, they issue an untrue report in a prominent place, and when they have no way to conceal their mistakes they just publish a correction in an inconspicuous place. If they spread biased opinions or rumors through commentaries, they do not even publish any correction statement. That is the so-called impartiality they advocate. Our journalists have done a great deal of serious criticism and self-criticism, but Western journalists will never do so. Their courage to expose bad things also depends on the subjects they deal with. Western countries also need to keep some things strictly confidential, and people who betray confidential matters are also punished. Therefore, it is not true to say that the news reports in the West are more "faithful to facts" than ours.

As for the issue of veracity, there is one more point that we should pay attention to. We must be particularly prudent and careful when handling reports concerning people's rights and wrongs and merits and demerits. We must repeatedly verify the facts and must not hastily publish this kind of report.

A few years ago, it was said that as long as the facts are basically verified, the reports could be published. Now it seems that this is not a correct standard. We must emphasize thorough verification so as to ensure faithful accounts. In particular, when we criticize people by name, we must strictly follow the relevant regulations laid down by the central authorities. This is because when somebody is criticized in a newspaper by name,

he will be disgraced in the whole country or even in the whole world, and this is more serious than criticism by an inner-party circular or by the big-character posters during the "Cultural Revolution." So we must be very prudent and careful and must not decide things according to our personal feelings. The practice of first overthrowing somebody and then deciding the nature of his problems, followed during the "Cultural Revolution," wronged a large number of good comrades. We must not forget this serious lesson that we should draw from the past.

Second, timeliness. Should we emphasize the timeliness of news reports? Yes, of course. I think it is important to ensure timeliness and high efficiency in our work. At present, we are still too slow in the handling of many things, and our work efficiency is indeed too low. Comrade Xiaoping highly appreciates the slogan "time is money." Maybe this reflects his feelings. Over the past thousands of years, the Chinese people have been accustomed to a lifestyle of "beginning to work on the farms at sunrise and then going home at nightfall." So they lack the mentality of racing against time and making every minute and second count. This is also a demonstration of our backward natural economy and the closed and stagnant social conditions. This represents a part of the heavy burden left over by history upon us and forms an obstacle to our present-day cause. You can see that the pace of our social life in many fields is still slow. This can be seen in our meetings, our work, and even our way of walking. We are now shouldering the task of building modernization, but some comrades are still advancing at a slow speed like an old ox pulling a rickety cart, and they do not understand the importance of high efficiency. In our journalism work, especially the part dealing with external propaganda work, there are still many things that show our low work efficiency. Our news reports are often not "new" enough, and our reports are often published far behind foreign news agencies and newspapers. This state of affairs has seriously weakened the results of our propaganda work.

Journalism work must stress its timeliness, but this does not mean that we should make a scoop in news reporting at the expense of other things. (Comrade Xi Zhongxun: We should not handle all things in a hasty way. A report that should be published tomorrow should not be published in advance today. Our attention should not be paid only to scooping others with an earlier news report.) We should not confuse high efficiency in news reporting with haste in our work. When reporting some important news and major affairs, if we do not give full consideration to the arrangements and do not ask for necessary instructions from the higher authorities but go headlong into action, we will very likely cause damage to the prestige of our party. Conversely, if we postpone the publication of some important things, the result may be more favorable. For example, many speeches included in the "Selected Works of Deng Xiaoping" were made a few years before the book was published and the speeches were not published as soon as they were made. Wasn't the publication of these speeches still big news afterward? Therefore, being efficient in reporting should not be confused with being hasty. The timing of publishing important news should be subject to the needs of political considerations. Some should be published as quickly as possible; some should be published not so quickly; and some should not be made public



for a period of time. In addition, we should pay attention to the principle of confidentiality.

If we unduly emphasize the importance of timeliness and even place this point above all other principles, we may go so far as to disregard discipline and thus make mistakes.

Third, the need to make news reports more interesting and instructive. Our four modernizations require rich and diverse knowledge, especially modern scientific and technological knowledge. So I agree that our newspapers and journals should introduce more modern scientific and technological knowledge to the readers; it is also necessary to introduce some historical, geographical, literary, and business management knowledge. Not long ago, there was a passable television drama called "A Poem About Luo's Gods." Viewers found a number of mistakes in this drama. For example, Cao Zhi was the third son of Cao Cao, but the drama said that he was Cao Cao's second son. As the poem was written by Cao Zhi after Cao Cao's death, how could Cao Cao read it, as the drama describes? If the ancient Chinese thought that the heart was an organ of thinking, how could Cao Cao pat his own head and say that his brains were not good to use? In fact, many of our works, not only literary works but also works on social and natural sciences and some news reports, show a lack of relevant knowledge. Examples can be found everywhere. This should attract our attention. Our works and newspapers must convey some knowledge and must be interesting. What if you write something that is so boring that no one wants to read it? Of course, when emphasizing the need to make the things we write more interesting and instructive, we should follow some given principles and should not go beyond the limits. We must not allow some people to spread feudal, superstitious, and decadent capitalist ideas under the guise of making things more interesting and instructive. For example, a great number of indecent tabloids have emerged in many cities in the recent period. Comrade Hu Qili has enumerated a number of cases in this regard at a meeting of the Central Secretariat. If these things are allowed to run unchecked, they will poison the minds of young people and sap the morale of the working people!

Here I would like to talk in passing about the question of spiritual pollution, because this issue, which was originally very clear, has now been confused by certain comrades. As everyone knows, "we cannot have spiritual pollution on the ideological front," and "the essence of spiritual pollution is to disseminate a variety of decadent and moribund ideas of the bourgeoisie and other exploiting classes, and to spread lack of faith in the socialist and communist cause and in the Communist Party" were proposed by Comrade Xiaoping at the 2d Plenary Session of the 12th CPC Central Committee in September 1983, and the session unanimously agreed. Afterwards a process was undergone, and Comrade Zhao Ziyang's government work report delivered at the Second Session of the Sixth NPC in May 1984 further explained this issue. Here, I want to quote in full the two relevant passages from that report. One passage said: "In order to guard against and overcome the erosion caused in the new historical conditions by decadent and moribund ideas of the bourgeoisie and other exploiting classes, to better uphold the four basic principles, and to correctly implement the principle of

letting a hundred flowers blossom and a hundred schools of thought contend, the First Session of the Sixth NPC held last year pointed out that bourgeois liberalization trends must be criticized in the field of ideology and culture; afterwards, the 2d Session of the 12th CPC Central Committee and the 3d meeting of the 6th NPC Standing Committee went further in stressing that we cannot have spiritual pollution on the ideological front." The other passage said: "Acting in accordance with the principles of the State Constitution provisions and the correct policies stipulated by the party and government, the departments in the field of ideology and culture have done a great deal of work in opposing and resisting spiritual pollution and achieved notable success. They have curbed the sinister trend of spiritual pollution pursued by a few people in the previous period, and banned obscene publications according to law. In opposing spiritual pollution, certain inappropriate measures were taken by some places and units because at the start we did not provide sufficient explanation on certain policy demarcation lines; but we promptly corrected this as soon as it was discovered." Please note, comrades, these two passages in the report were repeatedly weighed by the CPC Central Committee. There are a number of points here, as follows: First, the central authorities have consistently upheld in a clear-cut way and never abandoned the slogans of opposing and overcoming the erosion caused by decadent and moribund capitalist ideas. Second, the guiding principle of not having spiritual pollution on the ideological front, which was pointed out by Comrade Xiaoping and unanimously agreed by the Central Committee plenary session, is completely correct. Third, we have spoken clearly and with propriety on the shortcomings in opposing spiritual pollution, by saying that "certain inappropriate measures were taken by some places and units because at the start we did not provide sufficient explanation on certain policy demarcation lines." Then whom does this "we" refer to? It refers to our CPC Central Committee Secretariat and State Council! Comrade Ziyang's report was unanimously approved by the 1984 session of the NPC, and could be regarded as a final conclusion. In fact, the CPC Central Committee had considered that as the expression "spiritual pollution" was not familiar to most people, it might cause misinterpretations of various kinds at home and abroad, and this would be even more so if the word "eliminate" were placed in front of it, and this in fact could not be achieved. So this expression should be used less or not used unless absolutely necessary. However, this certainly does not mean that there is anything wrong with the principle of opposing spiritual pollution, and still less does it mean that we need not resist or oppose true spiritual pollution, that is, erosion caused by decadent and moribund exploiting-class ideas. As far as the present is concerned, should we not investigate those harmful tabloids I mentioned above? Should we allow them to poison the bodies and minds of youths and juveniles and sap the working people's morale? (Comrade Yang Shangkun: At present there is a kind of atmosphere which seems to hold that opposing spiritual pollution is fundamentally wrong.) For a time in the past, certain places and certain comrades inflated this issue and even investigated people's daily life and clothing and so on. This was wrong, but the misinterpretations and distorted ideas of these people have long been corrected. The ideological front, including the journalism front, cannot go in for stuff like those indecent tabloids! Should we not resist and oppose such things when they appear? At present there are a few provinces where there are

particularly large numbers of these tabloids, even having an impact on railroad passengers. (Comrade Deng Liqun: In some places large newspapers run tabloids and are nourished by them.) How can they do this? Problems like this should mainly be solved in the thinking of the leadership and in the work of the provincial CPC committees' propaganda departments, the provincial cultural departments and bureaus, and certain newspaper offices; the problem should not be taken back into society and among the masses. In short, the CPC Central Committee and the people have reached a final conclusion on the question of opposing spiritual pollution, and no party member can do as he pleases, heedless of this conclusion!

Veracity, timeliness, knowledge, and interest; these are the demands on journalism work. However, what is our party's most important demand on journalists? I hold that it is to have a clear-cut and correct stand, clear-cut class nature and party spirit, and the scientific attitude of seeking truth from facts. Comrade Mao Zedong said: "We take the stand of the proletariat and the masses. As far as party members are concerned, this also means taking the stand of the party and the stand of party spirit and party policies."

Comrade Mao Zedong used the word "also" here to indicate that the "party stand" was identical with the "people's stand." In order to uphold a correct stand in our journalism work and enable all our views and reports to truly accord with the fundamental interests of the people of the whole world, it is necessary to adopt the scientific attitude of seeking truth from facts. Such a scientific attitude does not contradict party spirit and party stand. It is precisely the requirement of party spirit. An attitude without a scientific nature is an attitude without party spirit or with imperfect party spirit. Therefore, our news should be reported only when we are sure about it. If we are not sure about the matter for the time being, we should first get a clear idea about the matter before reporting the news. If an event takes place in the world, what should we do when other countries have reported the news and yet we do not know the inside story? We can first report the news in an objective manner and then put in our views after the facts are gradually ascertained. This should also be reported as a clear-cut stand. In short, what we fundamentally require is to uphold a clear-cut and correct stand, uphold the basic Marxist viewpoints and the correct proposals of the CPC Central Committee, and adhere to the scientific attitude of seeking truth from facts.

#### IV. Finally, the Question of Contingent

Things are done by man and man is closely related to things. Whenever we discuss matters, we refer to man, cadres, and the core of leadership. We have already established a contingent of around 300,000 journalists and reporters. Generally speaking, this contingent is good. Naturally, apart from the journalism front, the cadres at all other fronts have made great contributions in their recent work. They have markedly improved their ideological and political level, effected a remarkable change or at least a good start in changing their work style, and strengthened their links with the people. In addition, there have been great changes in their age and

educational structure. All this shows that the party's political, organizational, and cadre lines are correct. Nevertheless, there are still many problems in our cadre ranks. Only by exerting our utmost energy, adopting more measures, and spending the necessary time can we further improve our cadre ranks and suit the needs of the developing situation.

With regard to the issue of cadres, the problem of recruiting some people for certain departments can be considered. But we should say that all our departments are overstaffed rather than understaffed. Even those places which need to recruit new people have a problem of succession of young cadres to old ones. If some cadres are not competent in their present posts, and there are other posts more suitable for them, we must try to make a transfer. Meanwhile, we must be aware that the principle and universal problem of the basic condition of our cadre ranks is none other than that of making great efforts to improve the quality of our cadres. Therefore, leading comrades of all departments should seriously take this principal matter into account. We must not only improve the quality of cadres to some extent, but also make vigorous efforts to strive to attain a marked improvement. Although some departments have laid stress on this question, the measures and results on the whole are ineffective. What kind of principle should we adopt to improve the quality of our cadre ranks? In my opinion, we should strengthen party spirit, enhance professional ability, and strengthen unity between comrades.

To strengthen party spirit means that the whole party, particularly party cadres, should wholeheartedly serve the people and serve the prosperity of the country and people.

In the past, the Chinese Communists fought bravely for China's liberation. Now they should exert their utmost to strengthen and work hard for the prosperity of the state and people. Should a party member exert his utmost energy in struggling for the prosperity of the state and people, or should he try by every means to seek personal benefit and increase the income of his small unit? This is a matter of primary importance. What are the tasks of communists? What should actually be proposed, opposed, allowed, and not allowed within the party? These problems should be put forward clearly in party rectification. We must speak clearly on such a major issue of principle. Naturally, by strengthening party spirit, we do not mean to repeat the past practice of bludgeoning people. To abstain from bludgeoning also does not mean to abstain from criticizing or punishing those who should be criticized or punished.

Enhancing professional ability means that we should encourage people to study and improve their ability and we should be strict and fair in meting out rewards and punishment. In our party history, a number of very well-known reporters have emerged. Now we should continue to make efforts to train and foster an even larger number of fine new reporters. We should attach importance to talented people and find appropriate ways to test and evaluate the professional ability of our journalism cadres. We should be strict and fair in meting out rewards and punishment and give rewards to all the comrades who have proved to be politically and ideologically excellent and have good knowledge and skill, and who have scored achievements.

Here, I want to stress enhancing unity. This perhaps is one of the relatively outstanding problems on our journalism front and even on our entire ideological front, therefore, I should talk more about it. Now a problem has emerged: Will new knots be tied before we have entirely untied the old ones? There was an old saying: "Scholars tend to scorn one another." I do not want to apply this saying now, but I think that it is indeed necessary for us to be on our guard against it. I also want to say that the problem for some comrades is not that they "scorn one another," but that they "scorn themselves." Scorning oneself may end up in harming oneself. A few years ago, a comrade told me that there was always a kind of people in our party who never studied things but always studied people. Is there still this kind of people now? I very much admire Comrade Ba Jin. He is 81 years old this year, still he always says that a writer should concentrate on his work of writing. If everyone does that, rumors and gossip will find no market and the problems related to unity will be easy to solve. I think that his words are indeed very true.

Of course, what we mean by unity is not an unprincipled unity, but a unity on the basis of the party's correct line. What should we do if our comrades have some shortcomings or mistakes? We should talk heart to heart with them. Now, the CPC Central Committee calls us to carry out the four modernizations with one heart and one mind. Only by adhering to unity can we maintain a firm foothold and can we bring benefit to the party's cause. Everybody is liable to have shortcomings and commit mistakes. No one can be always absolutely correct. We should unite together and look ahead!

In conclusion, our party has already announced to the whole country and the whole world our magnificent program of struggle, namely, quadrupling our gross industrial and agricultural output value, conducting the four modernizations and building our country into a modern socialist country with a high degree of civilization and democracy. In building such a great socialist country, we are advancing on the foundation that our predecessors have laid for us, but our achievements will be a great stride forward compared with what our predecessors have done.

We are confident in saying that as long as we really achieve this goal, it will have great repercussions on the whole world. We must work hard for the prosperity of our country and do our utmost to achieve this goal. In this contest of great historical significance, the comrades on the journalism front should play the glorious role that they must and can play. This is what I expect of the comrades on the journalism front.

CSO: 4004/25

## CONSTANTLY THINK OF THE PARTY'S FUNDAMENTAL PURPOSE

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 13-14

["Forum"]

[Text] Our party members, especially those in the party's positions, should often think about these questions: What is the purpose of the Communist Party? What should a cadre of the party do to serve this purpose? The party constitution clearly specifies that the fundamental purpose of the party is to serve the people wholeheartedly, to build our country into a culturally advanced and highly democratic socialist country, and to help the people live in a better-off condition. All Communist Party members must always bear in mind the two objectives: At present we will strive to quadruple the total output value, realize the four modernizations, and build the two civilizations; and in the future we will realize the ideal of communism. If we have no lofty ideals and have no long-range objectives, we will become shortsighted and will lose our bearings. If we are not enthusiastic about achieving the party's objective at the present stage and do not work hard, our lofty ideals will just be empty talk. The ideological consciousness of CPC members at present is pinpointed in their leading role in the whole nation's efforts to make the country and the people prosperous. How well we play this leading role is also the most important criterion for judging the political consciousness, work quality, and professional ability of our cadres.

It is correct of our Communist Party members to care about the interests of their own units or localities, but they should never forget the overall interests; still less can they do things harmful to the overall interests of the whole nation. The "Communist Party Manifesto" says that in various stages of the development of the proletariat's struggle for emancipation, communists always represent the interests of the movement as a whole. That is, communists should not only represent the immediate and partial interests of the working class and the public, but should also represent their long-term and overall interests and be appropriate to these two parts of the interests. If the country and the people are not prosperous, how can we have a hopeful future? Conversely, if our country and the whole people are prosperous and powerful, the conditions for our individuals, our factories, and our institutions will also become better. In his reminiscences entitled "My Military Life," Comrade Yang Dezhi says: When the people are wealthy, we will also be so; when the people become rich, so will we. This is

something that we should realize from the fish-and-water relationship between our party and the people during the revolutionary struggle over many years, and it has been vividly expressed by Comrade Yang Dezhi. Today we still need to have Communist Party members, especially party cadres, understand this point and handle all affairs in line with this basic viewpoint. We must realize that Communist Party members only have the duty of serving the interests of the people wholeheartedly and have no right to use their powers and functions to pursue selfish gains. Why are we communists glorious and honorable? This is precisely because we have this spirit. Since the "Great Cultural Revolution," some of our comrades have given up the spirit of serving the people wholeheartedly or have become apathetic about this. Therefore, it is necessary to carry out reeducation in our party's fundamental purpose among all of our leading cadres and at the same time to strictly enforce party discipline. We must realize that faithfully implementing the party's policies is required by our party discipline. The party's program and policies scientifically demonstrate and represent the fundamental interests of the working class and the public. A practice which goes against the party's principles and policies and impairs the interests of the state and the people for the purpose of seeking selfish gains is an evil practice, and a party member who is involved in such malpractices has lost his party spirit. Our second-stage party rectification not only must ensure and promote the reforms, but also must give prominence to the issue of strengthening party spirit. We must correctly handle the relationship between the interests of individuals and small groups and the interests of the state and the people and place them in correct positions. Only thus can we properly solve the issue of thoroughly repudiating the "Cultural Revolution."

Certainly, this does not mean that we will repeat the previous practice of staging political movements. We do not completely negate and obliterate personal interests, nor do we require our cadres to act as ascetics. However, our party members and party cadres should first work for the prosperity of the country and for the well-being of the people and should dedicate themselves to this purpose. Party members in the countryside should not only take the lead in making themselves rich through hard work, but should also help other people. Party members in factories should do a good job to fulfill targets assigned by the state and increase their income by making greater contributions, but they can never impair the interests of the state. Party members in leading positions should all the more adhere to the basic principles of the party, serve the people wholeheartedly, and resolutely fight against all malpractices.

The ongoing reforms are the second revolution in China and represent the only way we can make our country and people prosperous. Strengthening party spirit and opposing unhealthy trends will ensure and promote the reforms. Therefore, we should distinguish reform measures from unhealthy practices. What is the criterion for distinguishing between right and wrong? We may enumerate a number of concrete standards, but there is a fundamental criterion. This is: We will not seriously criticize the measures which are designed to serve the interests of the state and the people even if they have proved improper or erroneous because of a lack of experiences or due to miscalculations, but we will resolutely oppose the practices that only serve the interests of individuals and small groups at the expense of the state and the people, because these are all malpractices.

## DEVELOPMENT OF THE RURAL ECONOMY: SEVERAL SOCIAL OBJECTIVES

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 14-19

[Article by Du Runsheng [2629 3387 3932]]

[Text] Our rural situation is currently improving year by year. The initiative of the masses has been rising each year, agricultural production has risen in an all-round manner, and the commodity economy in particular has developed relatively quickly. The task that we are faced with is to maintain this trend.

There are two sides to everything each of which plays a unique role. This is also true for a commodity economy. On the one hand, the development of the commodity economy will boost the development of the productive forces. In order to build socialism, we must develop a socialist commodity economy. On the other hand, developing the commodity economy will cause some contradictions and thus require us to appropriately regulate and satisfactorily handle many relations. For example, the relations between urban and rural areas, those among various areas, and those between the commodity economy and the cooperative economy. If we fail to pay attention to regulating these relations, there will be a macroeconomic imbalance or even a deviation from the socialist orientation. Therefore, we should define some social objectives that we must strive to obtain.

### I. We Must Follow the Path of Combining Urban and Rural Areas and Enabling Both To Become Prosperous

The development of commodity economy has caused urban areas to become excessively prosperous and rural areas to be poor for a long time. This is a phenomenon that previously emerged in many capitalist countries and even is emerging in some Third World countries today. The consequences of the spontaneous operation of the law of value is that rural funds and talented people first move to and gather in urban areas until the rural labor force is greatly reduced and there is tension in the relations between the supply and demand of agricultural products, and then funds and talented people move from urban areas back to rural areas. This is a long and bitter process. How can a socialist country avoid this process? A long time ago, Comrade Mao Zedong put forth the idea of regarding agriculture as the foundation and industry as the leading sector. Later he put forth the view that in our



planning, the order should be first agriculture, then light industry, and finally heavy industry. Despite that, for many years our country's rural areas developed slowly. Owing to the price scissors between industrial and agricultural products, rural funds continued to flow into and accumulate in our urban areas, and there was a relatively great disparity between our peasants' income and that of our urban staff and workers. There are few intellectuals especially senior ones, in our rural areas. The small number of middle-school students there also move to urban areas when they are recruited by universities and colleges. Therefore, it is very difficult to transfer technology from our cities to our countryside and there are very few channels for transferring funds in this direction. As a result, we have had to rely on the state allocation of funds and bank loans to make readjustments.

Why don't we eliminate the price scissors, since we are clearly aware of their existence? The existence of the price scissors is often independent of people's will. The renewal of technology and labor productivity in our urban industries are much quicker than in our rural areas. Therefore, the price scissors will continue to exist as technology is renewed. Moreover, our country's industrialization mainly relies on the accumulation of funds at home, including agricultural accumulation and industrial accumulation. In order to maintain a specific proportional relationship between accumulation and consumption, it is often inappropriate for the state to raise the prices of agricultural products too quickly. For a certain period of time, a developing socialist country cannot help but collect some of the income of its peasants through certain methods for the expenditure toward its socialist industrialization. Of course, this should not go beyond a certain approved limit and the state should not collect too great an amount from our peasants for our accumulation. Otherwise we will cause rural poverty and affect the consolidation of our worker-peasant alliance.

For 5 years we have stressed protecting our agriculture, allowing our peasants to rest and build up their strength, raising the prices of our agricultural products, allowing our rural areas to retain a certain share of their funds, increasing the supplies of the means of production, and, in particular, implementing the production responsibility system with remuneration linked to output in order to give play to the initiative of the vast number of peasants. As a result, during the past few years a situation of common prosperity has emerged in both our urban and rural areas. Despite this, we still cannot say that we have once and for all eliminated the possibility of any increase in the disparity between our urban and rural areas. The urban economic reform and the planned commodity economy that we are carrying out and practicing today are precisely aimed at exploiting the regulatory role of the law of value to encourage advances and eliminating backward things through competition. Under these circumstances, the originally existing technological disparity between our urban and rural areas may be enlarged and our rural areas may still be in an unfavorable position in regard to competition. How should we prevent an excessive increase in this disparity? Obviously, it is impossible for us to achieve this merely by readjusting prices. We cannot limitlessly raise the prices of our agricultural products, and it is unrealistic to demand that the state

greatly increase its investment in agriculture, because the state's financial resources are limited.

In order to reduce the disparity between our rural and urban areas, we should do the following two things:

1. We should greatly increase the labor productivity of our agriculture. Our country's total grain output now is over 800 billion jin, or over 400 billion metric tons, ranking first in the world, but the per laborer grain output is only 1,200-odd kilograms, a very low figure. In the United States, one agricultural laborer can feed 52 people, a very high level for us to reach. As our labor productivity is too low, we have no way to increase our per capita income.
2. We should relatively increase the number of people employed in the nonagricultural sectors in our rural areas and relatively reduce that of people employed in agriculture.

The CPC Central Committee has pointed out for a long time that we cannot become rich with over 300 million laborers concentrated on our farmland and with 800 million peasants engaged in producing food. However, for many years we failed to find a satisfactory method to solve this problem and change this situation. Our experience in the past few years has provided us with a solution: We should develop diversified undertakings and follow the path of comprehensive development. There should be rational industrial policies for the development of the commodity economy. In the layout of our rural industries, there should not only be primary industry, but also secondary and tertiary industries. The secondary industry there is the processing industry and the tertiary industry is various kinds of service trades. As there are too many people to till the land and as we cannot allow a large number of peasants to move into our cities, the only feasible solution is to open all avenues for developing various kinds of production to absorb the surplus labor. By so doing we will transfer rural labor from the farming sector to other sectors without moving them away from their homelands and thus achieve full employment. Over the past few years, the nonagricultural population in our country's rural areas rose to about 100 million people, and the output value of our township and town enterprises for 1984 was about 150 billion yuan. We have thus laid the foundation for a new industrial structure in our rural areas and opened up the prospects for common prosperity for our urban and rural areas. This is a very heartening change.

Our rural secondary industry can mainly be divided into two major categories:

1. The industry that processes agricultural and sideline products. In the past all the industries conducting the initial and final processing of agricultural and sideline products such as grain, cotton, oil crops, livestock products, aquatic products, fruits, vegetables, sugar, hemp, tobacco, and silk, were concentrated in our cities. In the future, we should mainly develop this industry in our rural areas. If an undertaking in this field is too much for individuals to run, it can be run by collectives; if it is

too much for collectives to run, it can be run by localities; and if it is too much for localities to run, it can be run by the state.

Some comrades only see that few profits can be earned in processing agricultural products and are thus unwilling to be engaged in this industry. This is because they lack the foresight to see the long-term prospects for the development of this industry. The prospects for the development of the agricultural products processing industry will grow with time. As a whole, our country's agriculture has passed the stage of primitive agriculture and entered the stage of intensive farming. But the commodity rate of its products is not high and it is still at the level of self-sufficiency and semi-self-sufficiency. We must and we now have the conditions to gradually switch into intensive operation in order to obtain greater output with smaller input, conduct large-scale commodity production, and end the mainly self-sufficient situation. Large-scale commodity production must rely on a market with a large capacity, of which the agricultural products processing industry is an important aspect. Only through processing can the conditions for the emergence of the new quality of products be formed to expand the scale and scope of supplies. For example, if milk is not processed and is supplied only to local people, there is a limit to the number of milk cows an area can breed. If there is a milk products factory in the area, the scope of the market for supply of the area's milk products will be expanded. At this stage, a series of industries related to the processing-storage, packing, and transportation of various products will develop simultaneously. Developing the agricultural products processing industry is not only aimed at adding to the value of these products, but also at creating necessary conditions for expanding the scope of commodity circulation. A corresponding market capacity is indispensable for a large output of production. Once we have made a breakthrough in the mainly self-sufficient economy, we must develop secondary and tertiary industries. This is something that has been learned from the world agricultural development. Our country differs from other countries only in our plan to put most of these industries in our rural areas.

We can also foresee that there will be a new stage in the development of our agriculture, that is, the stage of intellectual agriculture. In the future, by applying the new scientific achievements in genetic engineering, gene-splicing, and cytomixis [xi bao rong he 4798 5165 5816 0678], the human race can produce, in accordance with its demands, certain new breeds of animals and plants which have a great resistance to adversities and are of various fine quality. Then there will be an earthshaking change. For a long time, scientific and technological achievements have mainly been applied to the industrial sector and have not been satisfactorily applied to our agriculture. For example, there has been no transfer to agriculture of the achievements in microelectronic technology, microbiological technology, mathematics, physics, chemistry, and various kinds of frontier sciences and many kinds of new technology and materials. Since the 1970's, the process of transference has quickened and some years from now there will surely be a new breakthrough. Much of the material transformation in the world is realized with the help of solar energy, and the combination of solar energy and land yields plants and animals. Ancient plant life has been transformed into coal and

ancient animal life has been transformed into petroleum. Today we can use oil and coal to produce hundreds and thousands of new products. However, the animals and plants of today do not have many uses except for supplying us with food, clothing, and some articles of daily use. Eventually the human race will obtain regenerated energy through agriculture and thus be provided with a variety of valuable organic raw materials. We can be sure that cultivation, animal breeding, and the processing industries will be new undertakings, whose scale and output value will greatly rise. An era of nothing wasted will soon come for our agriculture.

2. The processing industry in its general sense. Most of this industry is concentrated in our cities, but our rural areas also must and are able to develop this industry. We have mentioned above that a commodity economy should enable good enterprises to win the competition and eliminate bad enterprises through competition. Isn't it hard for the rural industry to avoid the fate of being eliminated through competition? Yes, it is when the law of value plays its role. However, there is another function of the commodity economy. This is the function of transferring technology to other areas. The development of the world economy is uneven; therefore, there is a trend of transferring technology from advanced areas to backward ones. When one has the technology to produce the first generation of products, one will transfer to other people the technology related to the first and second generation of products. The processes of elimination through competition and transference take place simultaneously. Our country has a large rural labor force that receives relatively low wages. Therefore, some urban industries, in particular labor-intensive industries, can be transferred to rural areas. The first step is to engage in the production of labor-intensive products, and the second step is to engage in producing advanced products.

Some comrades are not much for developing industry in our rural areas. One of the important reasons they hold this view is the small scale and low level of technology in the industry there. There must always be small industrial enterprises as well as large and medium-sized ones. Therefore, there should not be just large but no small industrial enterprises, nor should there only be small but no large ones. The technological level in a small but specialized enterprise is not necessarily low. As for small mining and building industries, they can play to the full their advantages in utilizing local material and labor resources. Thus, there is no need to worry about their prospects. Another reason these comrades oppose developing the industry in rural areas is unsatisfactory economic results. If we judge the economic results only by one criterion, the economic results of rural enterprises are perhaps not so good as those of urban ones. However, from the viewpoint of the economic results of the whole society, how tremendously high the economic results will be for our rural enterprises if they can provide jobs for several hundred million laborers and thus solve a problem that has been difficult to solve for a long time!

Another problem is that we have mentioned that rural areas should not contend for raw materials and energy with our urban areas. However, now we think that this is not a view that looks at the problem from all sides.

This view will protect the urban factories that are of low efficiency. If we allow rural enterprises to compete with urban ones, we may stimulate urban enterprises to raise their economic results. Therefore, we should go to neither extreme. We should allow rural enterprises to contend for raw materials and energy if necessary and we should also tell them to refrain from doing so if necessary. Therefore, sometimes they should contend and sometimes they should not.

Between our urban and rural areas, there should not merely be just exchanges between industrial and agricultural products. There should also be an economic relationship between our secondary and tertiary industries. This kind of relationship will boost the transference of technology, exchanges of personnel, and movement of funds between our urban and rural areas. It will also boost the development of small towns and cities, give rise to a relatively balanced layout of industry and agriculture, and make our urban and rural areas support each other, develop in harmony, and achieve common prosperity.

## II. Coordinate the Development of the Commodity Economy With That of the Cooperative Economy

What will be the impact of the development of commodity economy on our peasants? It is necessary to make an analysis of this. Over the past few years we have implemented the household-based production responsibility system with remuneration linked to output and allowed two sectors to operate in the sphere of agriculture. In other words, we have restored household-based operations while preserving the operation of the collective economic sector. This has achieved very good results and we should continue to do this for a long time. Household-based operation means in essence that our peasants carry out their production activities as independent commodity producers. They are independent and have their own decisionmaking power. This arouses their interest in developing production and becoming rich through hard work. If we free our millions of peasants from the unnecessary fetters and allow them certain freedoms to make their own choices in arranging their production and disposing of their products, we will thus be able to rouse the tremendously great creativeness and initiative that are latent in them and thus turn them into a tremendously great social production factor and speed up the development in our rural areas. This is the most profound and magnificent change in our rural areas. Some people say that this will lead to polarization of the rich and the poor, but we say that it will not. Our commodity exchanges are socialist commodity exchanges, therefore, in our exchange market there is neither an exploiting class nor the proletariat who has lost their means of production and who have nothing but their labor to sell as a special commodity. Our commodity exchange is an exchange of labor at equal value and it basically conforms to and does not deviate from the principle of more pay for more work. Therefore, the commodity exchange now is different not only from that in a capitalist society, but also from that in the initial period after the founding of the PRC when the land reform was completed. We have already carried out a socialist transformation and established socialist public ownership. There are some individual traders now and the number of these trades will continue to rise.

However, they are restricted by the whole socialist system and are a necessary supplement to the socialist economy. The income of these traders will also increase, but the principal factor of the socialist economy will increase even more quickly. The existence and development of these traders will by no means affect our basic economic structure. The issue of key importance is how we are to bring them into the socialist orbit after commodity economy becomes developed. We should be clear that we should never abandon but must adhere to the cooperative road and we should never take the capitalist road.

Developing the commodity economy and perfecting the cooperative system are identical in their goals and processes. Why do we say that their goals are identical? We have already gained the experience that when the level of development of the productive forces is low, imposing a collective system with a high degree of public ownership will inevitably lead to the practice of "eating out of the same big pot." On the other hand, for the same reason, when our productive forces have developed and thus provided material pre-conditions for a cooperative economy, then we must perfect our cooperative system in accordance with the demands resulting from the development of our productive forces. We should not adopt a laissez-faire attitude toward this. This is our work principle.

If we fail to stress the task of perfecting our cooperative system at an appropriate time, we will fall behind our masses of people. At a certain stage of the development of the commodity economy, our peasants will feel the limits in the development of individual and household-based operations and will demand an expansion of the scale of their operations and the supply of certain social services. Therefore, the commodity economy itself may give rise to two trends. One of the trends is combination and cooperation. If we do not guide this trend, there will be another trend, which is that the means of production are amassed by big households and small households have to be subordinate to big ones in order to solve certain difficulties. At present there is no clear indication of the second trend, but it is necessary to point out this possibility. Too much haste is not desirable, nor is it desirable to lag behind the demands of the masses of people. The peasants' demand for setting up combines first emerged owing to the problems related to supplies and marketing; in other words, they first demanded to combine their forces to get supplies of goods and to aid in marketing their products. Later they began to set up combines to provide processing, water conservation, farm machinery, and other services. During the 1950's, our cooperation started from the sphere of supplies and marketing, but later we acted in too great a hurry to develop production cooperation. Now we should turn back and stress organizing combines of peasants on the basis of voluntary participation in the spheres of supply and marketing, processing, and technological services. On the one hand we should utilize the existing cooperative organizations, such as regional cooperative organizations, that have already been established and undergone reforms. We should also make efforts to satisfactorily do the work related to responsibility contracts and satisfactorily run the service undertakings such as water conservation, tractor-plowing, and prevention of insect pests, and improve the environment of our agricultural production. In this way we can help our peasants to

develop production together. On the other hand, we should develop new combines in light of the new trend of specialization. What is worth noticing is that during the past few years our peasants have created some forms of cooperative economy to concentrate various kinds of production factors by means of issuing shares and to conduct cooperative operations on the basis of the operation of their households. The means of production, funds, and labor services contributed by their members can be converted into capital by issuing shares, implementing the principle of regarding distribution according to labor while allowing the payment of share dividends. By so doing, without changing the peasants' ownership over their existing property, we have been able to create new social productive forces and accumulate public property. This is an advantage of this method. Paying share dividends is not a practice of distribution according to labor. It is not only conducive to the development of our productive forces, but also to solving the problem of pooling the peasants' funds and the problem related to the scale of operations on the basis of the principle of voluntary participation. This is a method with many advantages and few defects that we must encourage. We can adopt this method to set up factories, build roads and warehouses, and set up livestock breeding farms and other enterprises. However, we should resolutely oppose the practice of forcing our peasants to participate in these combines. No matter how beneficial our goal, if our method is wrong, it is also possible for us to get bad results from it. Therefore, we must make great efforts to satisfactorily do the work.

There should be some rules for various kinds of our cooperative organizations. For the time being we will not try to formulate unified national rules. We encourage people to formulate them from the bottom upward and in light of local realities. This is a new work method: first diversification, then standardization.

### III. Mutual Economic Aid Between Various Areas

Stimulated by the commodity economy, the paces of economic development vary as areas vary. Some may develop quickly while others may develop slowly. It is a fact independent of people's will that all areas cannot develop at the same time. Our final goal is to eliminate poverty and become rich together. On the one hand, we should encourage the advanced, and on the other, we should adopt special measures to help the backward. Originally our mountainous areas lacked food grain and mainly relied on their forests, timber, medicinal herbs, and special local products for their income. It was precisely in these spheres that we imposed excessively strict controls. Therefore, the CPC Central Committee and the State Council have decided that in our mountainous areas, we should not only control the felling of trees, but also decontrol the timber market and allow these areas to exploit the advantages of their resources to freely develop their production.

In our country, the eastern part has the advantages of funds and technology, while the western part has the advantage of resources. Therefore, we should encourage the two parts to help each other, to voluntarily establish horizontal links, and to set up joint ventures to exploit the resources in order to benefit both parts. Now they have begun to do this. The state should

adopt policies to encourage the transference of technology and funds that is conducive to the development of backward areas.

We should be good at utilizing the existing backward area development funds and should focus our efforts in giving support to the projects there. We should form combinations of funds, technology, and personnel to enable the completion of each project that we have started and we should refrain from scattering these resources in a large number of projects. In selecting the production structure, our backward areas should first develop the labor-intensive industry and the mining industry, build highways, and set up the industry to initially process their local special products. Many areas have sent people to visit Suzhou and Foshan. These people have seen that the two areas have satisfactorily developed township and town enterprises, but upon returning to their own areas, they still do not know what to do to develop their own areas. Practice has proved that the possibility of success is very low for an area to attempt developing any undertakings beyond its capability. If they do so, they will often find it impossible to continue what they have started or even suffer losses. Shanxi's Yanbei and Zuoyun Counties have enabled their economies to take off by developing small coal mines. Zhejiang's Wenzhou Prefecture has revitalized its rural economy by means of vigorously developing its family industries. These areas have achieved successes because they have given play to their specific advantages. Other poor mountainous areas should make good decisions for their industrial structure and should not simply imitate the practice of developed areas.

Our relatively developed areas should implement the policy of opening to the outside world when developing their agriculture so as to draw in foreign capital and introduce foreign technology, and should carry out technological transformation. We should first build a number of bases to produce products for export in the areas where there are the necessary conditions. The agriculture in the Zhu Jiang Delta, the Chang Jiang Delta, the Jiaodong Peninsula, the Liaodong Peninsula, Beijing-Tianjin-Tangshan area, and other similar areas should cater to international demand and gradually establish a "commerce-industry-agriculture" economic structure. In light of the demands in the international market, they should arrange their foreign trade and exports and thus bring along the development of the agricultural products processing industry, and in light of the needs of the processing industry, they should arrange their production of agriculture, forestry, animal husbandry, and fishery, promote transformation of their rural economy into a commodity economy, and boost the modernization of their rural economy. In addition to drawing in foreign capital and importing foreign technology, they should also cooperate with other areas at home. They should process in their own areas certain kinds of primary products produced in the hinterland and transfer to the hinterland the technology that they have already successfully tested so as to speed up the development of the less advanced areas. The suburban areas of some large cities can also follow this path.

The first market for our agriculture is our cities and the second is the international market. Meanwhile, we should expand the market in our rural areas themselves. Speeding up the development of backward areas also means expanding the capacity of the market. This will provide new conditions for



the further development of the advanced areas. In our rural areas, 100 million people have already switched to nonagricultural sectors and become commodity consumers. When the township and town enterprises develop, the number of these people will be doubled and redoubled. Then there will not be a small number of these people.

#### IV. Readjust the Production Structure To Meet the Consumption Demand of the Market and Strive To Achieve Comprehensive Economic Results

In the past, there was a state monopoly over the purchase and sales of agricultural products in our rural areas, a practice of supplying products by quotas, and a distribution of payments in kind. This is in fact of a product economy. This system played a certain positive role in the period when there was a shortage of products, but later many defects emerged in this system. The quantities of agricultural products that the state purchased were determined by the quantities of the products produced by the peasants, and the state distributed all the products it purchased. Both the state's distribution and the peasants' production were not in line with the demands of the market and were determined by the state's economic behavior. The continuation of this practice will make the operation of our economy increasingly rigid. The reform in the system of the state monopoly over the purchase and sales of agricultural products and the restoration of the operation of the commodity economy are musts. This will be the second major reform following the implementation of the responsibility system with remuneration linked to output.

Production and consumption are two links, each of which constitutes a precondition for the existence of the other. They transform into each other through the process of circulation. Only when a product is put into circulation can it become a commodity and only by putting a commodity in the process of consumption can we create conditions for reproduction. Expanded reproduction depends on continuously expanding consumption. In the past we did our work in a relatively simple manner, just "urging people to sow, reap, and sell their products." Now we should grasp the complicated changes in the market and organize commodity production. In a society with a commodity economy, an absolute balance between production and consumption is never possible and there is not only an imbalance in terms of areas, but also an imbalance in terms of time. Sometimes supplies exceed demand and there is a buyers' market. Sometimes, supplies fall short of demand and there is a sellers' market. The relations between supply and demand always change in the market. In the past, our state-owned enterprises failed to sensitively respond to the changes in the market and we could not help but adopt the measure of "making enterprises rush to produce what was in short supply and forcing them to reduce the production of what was in excess supply." This not only roused the indignation of the masses, but also caused our unsatisfactory economic results and waste in our society. In the future we should apply the regulation of market mechanisms, establish direct links between production and consumption, and make our producers arrange their production in light of market information. The era of supplying what is produced will gradually be replaced by the era of producing what is demanded. For a long time, our agriculture has been at a stage of self-sufficiency, a large

amount of the labor force has been concentrated on the farming operations on our land, and the costs of our products have been very high. Agricultural products as commodities were mainly sold in our major cities, but the purchasing power of our cities themselves was not high; therefore there were often contradictions between the rural and urban areas. Over the past few years the state has adopted the policies of purchasing agricultural goods from the rural areas at high prices and selling them in our cities at low prices, thus supporting the production by granting subsidies. This means that to a fairly great extent, our agricultural production has mainly been boosted by financial subsidies. In the future we will reform our price system and boost and regulate our production through the regulation of market mechanisms and by social consumption demands.

The per capita grain output now is only 800 jin for the whole country, but we have begun to find it difficult to sell grain (the per capita cotton output is only 10 jin, which also exceeds consumption). From the viewpoint of the long-term relations between grain supply and demands, this grain output is not great because it can only barely satisfy the direct consumption demands and falls far short of the indirect consumption demands. The per capita grain consumption in Beijing, Tianjin, and Shanghai is 900 jin, of which 300-odd jin is direct consumption and 600 jin is consumed in other transformed forms. Even if this level is popularized in the whole country, the level of food consumption is only an average one. At present, what we call a grain surplus is merely a surplus under the current conditions of low consumption. Therefore, we should not relax our efforts in carrying out grain production. However, we should not rely on the methods of urging people to grow and reap grain in grasping grain production, but should switch to the method of opening up the consumption market. Only the increase in grain sales can urge people to produce more grain. Therefore we must solve the problem related to the transformation of grain.

First, we should vigorously develop animal husbandry. Rationalizing our industrial structure and making the output of various kinds of products meet social demands is a major guarantee for raising our economic results. The current imbalance between supply and demand should not be regarded as a difficulty but should be taken as an opportunity and regarded as a new starting point for the implementation of the strategy for a new development in our rural areas.

Second, the state should adopt various measures to establish a unified market. Increasing consumption depends on increasing people's income, a problem that should be solved in the process of developing production. However, the emergence of a unified domestic market can increase the amount of consumption. For a long time, as the economic development of various areas has been uneven, only one-third of our counties have had surplus grain; others have only been roughly self-sufficient. There have also been a small number of counties that have not been able to produce enough grain to supply their own needs. As a result we have had to transport grain from east to west and from north to south. We must strive to establish a unified market, unclog the channels of circulation, and demand an even bigger volume, an even greater speed, and an even wider scope of circulation. Therefore, we should strengthen

various circulation links and pay particular attention to developing transport and lowering transport costs. We cannot merely rely on the central authorities to solve this problem, but should rely on the wisdom and strength of the masses.

Third, our producers should expand the scale of their operations. On the one hand, they should develop specialization, and on the other hand, they should develop cooperation. We should give a free hand to the development of the current family-based production, and in the process of its development, we should promptly encourage the producers to carry out diverse forms of cooperative operations so as to increase the economic results by giving to the role of technology and by achieving a relative economic scale. For example, in the fields of supply and marketing, processing, and transportation, our peasants must combine their strength, otherwise it will be impossible for them to solve the problems in these fields. The family animal breeding industry of our peasants is currently on a very small scale. However, at the present stage, this method of animal breeding is still a major method. Therefore, we should vigorously support its development. However, we should also see that if every family breeds one or two pigs, when the price of a pig falls a little, the family will lose their interest in breeding pigs and thus the output of pigs in our rural areas will fall sharply. This is apt to lead to fluctuation. We should encourage every household to breed more pigs. We should also begin to set up a number of factories to produce food for animals, and support some animal husbandry enterprises and specialized combines which enable peasants to jointly carry out breeding, slaughtering, vaccination, and supply and marketing operations. These combines will link a number of specialized households to form a new operation system. At present we should first test this and should not begin with a widespread campaign.

CSO: 4004/25

LEAD THE MASSES IN GETTING RICH AND ADHERE TO THE SOCIALIST ORIENTATION--A TALK  
COMMENCING WITH INCREASE OF 100 YUAN IN RURAL PER CAPITA INCOME IN BAODING  
PREFECTURE

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 20-22

[Article by Xing Chongzhi [6717 1504 2535]]

[Text] Last year the rural per capita income in Baoding Prefecture, Hebei Province, increased by 100 yuan. Unprecedented in the 35 years since the founding of the PRC, this is indeed an enormous progress for a prefecture with a rural population of 7.29 million. Baoding Prefecture has taken a solid step forward on the road to prosperity, which has greatly boosted the morale of the people in "quadrupling and striving for a comparatively well-off level." Comrade Hu Yaobang pointed out: "It is the concentrated manifestation of the ideological consciousness of the contemporary Chinese communists and an important criterion for judging the ideological awareness and skills of our cadres to lead the people in working hard so as to quicken the pace of making the country and people prosperous."

To regard leading the masses in getting rich as the bounden duty of the communists and as the main standard of wholeheartedly serving the people is a fundamental transformation of outmoded ideas which have taken shape through many years. This transformation includes the change in the understanding of the concept of "affluence" as well as a great change in the comprehension of the essential task of socialism.

After the abolition of the system of exploitation, the essential task of socialism is to develop social productive forces and meet the people's growing material and cultural needs. It is the aspiration of the people and an inevitable development of history to make the country prosperous as quickly as possible and to let the people live in happiness. The Chinese communists, who are leading the socialist construction, should be determined and should try by every means to lead the masses in wiping out poverty and becoming rich through hard work. This should be the criterion for judging the skills and awareness of party-member cadres during the socialist period. If the people were still leading a poor material and cultural life after a revolution carried out over several decades, it would mean that we have failed in our work and "wholeheartedly serving the people" would be empty talk. Consequently, such socialism would no longer be attractive and the people would not sincerely support and follow us.

As we lacked understanding of the essential task of socialism and the experience in building socialism for a long time in the past, our comprehension of socialism and prosperity became mistaken views. Affluence was tantamount to capitalism and moving toward prosperity was set against the socialist orientation. Socialism was looked upon from the abstract viewpoint of "equality" instead of regarding it as an inevitable stage of vivid social and economic development. As a result, people wanted, but dared not make any effort, to become rich. Affluence was then criticized and restricted. Due to the tortuous road taken over the past 30 years, we failed to display the superiority of socialism and retarded the progress of China's economic development. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has formulated a series of correct lines, principles, and policies, which provided important theoretical bases for the people to transform their understanding of socialism and to take the road to prosperity. Therefore, the increase of 100 yuan in rural per capita income in Baoding Prefecture is not merely a matter of an economic target. It provides people with spiritual encouragement. It teaches the people that being rich is the general trend and popular feeling. It also coincides with the socialist orientation. So long as we can effect a change in ideas and conduct work in a down-to-earth manner, it is absolutely possible to realize the goal of "quadrupling and a comparatively well-off level."

In order to integrate leading the masses in getting rich with adhering to the socialist orientation, the most important point is to correctly handle the relations between common prosperity and allowing some regions and individuals to become rich first.

Everything undergoes a process from quantitative to qualitative change. In the development of commodity economy, due to the differences in natural and economic conditions and in the knowledge and skills of each individual, it is quite obvious that some people can become rich earlier, and others later. A prefecture has a population of several million, a county has a population of hundreds of thousands, and a village has several hundred households. It is impossible for them all to become rich at the same time. Only by letting the localities which have better conditions and the people with skills who are good at management become rich first and then influence and bring along the surrounding masses through their exemplary role, can the entire society embark on the road to common prosperity.

Does allowing some individuals to get better off first mean that we are supposed to change the principle of common prosperity? No! Comrade Deng Xiaoping recently pointed out: "The dominant public ownership and common prosperity are the fundamental principles of socialism we must adhere to." The ultimate goal of communists is to realize the lofty ideal of communism and to enable the whole society and entire people to take the road to common prosperity. This principle must be remembered at all times. Encouraging some individuals to get better off first and at the same time admitting the differences is by no means polarization. It is only a developing process toward prosperity because common prosperity is our ultimate goal. Our party-member cadres should properly handle the relations between leading some individuals to get better off first and common prosperity. Allowing

some individuals to get better off first is permitted by party policies, which must be encouraged and supported. Meanwhile, common prosperity should not be regarded as a future task. In the course of allowing some individuals to get better off first, it is necessary to follow the principle of common prosperity. We must use the principle of common prosperity to guide and readjust the relations between those who become better off earlier and those who become better off later. At present some people are afraid to become rich or are jealous of those who have become rich, while others have, to a certain degree, forgotten the principle of common prosperity and the goal of communism. This merits attention.

By insisting on the principle of integrating common prosperity with encouraging some people to get better off first, it certainly does not mean restricting people in getting rich or demanding that the people who have become rich first generously help those who have yet to become rich with money. In the course of leading the masses in getting better off through hard work, Baoding Prefecture used the method of "coordinated process" to organize a new type of economic cooperation, that is, the state, the collective, the trading centers, technical and capable personnel, and the large households engaged in purchase and marketing served as the "head" bringing along thousands upon thousands of households, which formed into a coordinated economy that linked supply, production, and marketing closely together. For example, the Xihe township carpet factory in Zhuoxian County provided pattern design, technology, and raw materials and was responsible for marketing, while the peasant households scattered everywhere are responsible for production. The factory had connections with 4 provinces, 6 prefectures, and 16 counties and established over 500 production points, with a total of over 20,000 people taking part in the processing work. The masses regarded it as "a big 10,000-person factory without a boundary." There are dozens of such enterprises of different sizes in Baoding which have carried out production in a coordinated manner, presenting a vivid scene of regional mass production. Such a method of cooperation has given full play to the role of household operation as well as maintained mass production, expanded the scope of production, and encouraged thousands upon thousands of households in taking the road to common prosperity.

In order to lead the masses in getting better off, upholding the socialist orientation, and taking the road to common prosperity, the leading cadres should have a high level of ideological consciousness, master the policies well, and be competent. Our party cadres have accumulated rich experience in mass work over many years in the past. Some experiences are still applicable to the building of the four modernizations, while some must be set aside or discarded. Generally speaking, under the new situation of the rapid development of commodity production, our comrades still lack knowledge and should therefore make further efforts to suit themselves to the new situation and study again.

Baoding Prefecture has accumulated some fine experience. For example, the leading cadres at various levels carried out the activities such as the "three visits," namely, "visiting the rich to seek experience, visiting the poor to help them get better off, and visiting able persons." Through the

activity of "three visits," the leading cadres enhanced their capabilities in practice and took the initiative in leading the masses on the road to prosperity.

In "visiting the rich to seek experience," the leading cadres visited the people who became rich first. On one hand, the leading cadres encouraged the people to continue to make efforts, and on the other hand, tried to explore and sum up their experience in getting rich. The leading cadres also requested them to pass on their valuable experience and offer advice and suggestions for the economic development of their own county, township, and village.

In "visiting the poor to help them get better off," the leading cadres visited the poor localities and families, analyzed the causes of their poverty, briefed them on the experience in getting better off, and helped them solve difficulties, seek methods, and speed up the pace on the road to affluence.

In "visiting the able persons," the leading cadres paid visits to the talented and worthy people, dispelled their worries, and encouraged them to have faith in the policies and make efforts to influence and bring more people along the road to prosperity.

The activity of "three visits" is an experience explored and summed up by the vast numbers of rural workers under the circumstances of the uneven economic development. Under the new situation, it is a new form of the party's principle "from the masses, to the masses." We realized from the activity of "three visits" that those who became rich first still required support and encouragement. Last year there were only 23 villages in Baoding Prefecture which had an average per capita income of 1,000 yuan. The number is not too big yet is too small for a prefecture with more than 5,000 villages. Moreover, we must pay attention to the problems of both poor localities and common prosperity. Although the rural per capita income in Baoding Prefecture increased by 100 yuan last year, there are still several hundred villages which have an average per capita income of only a little more than 100 yuan and an average per capita of 300 jin of grain ration. Therefore, we must have a sense of urgency in supporting the poor localities and households in getting rich as quickly as possible. It has become a tendency at present that many cadres have visited the rich households in affluent areas and have given them due support. This is because they are pleased with whatever they see and hear and they have less trouble in their work here. However, there are lots of difficulties in the poor localities. They achieve little in work though they have made strenuous efforts. It is necessary to go to the affluent areas, but it is even more necessary to help the poor areas. In addition, we must never cold-shoulder their poverty. The activity of "three visits" in Baoding Prefecture is indeed a fine method in leading the masses along the road to prosperity and adhering to the socialist orientation. It pays attention to encouraging and supporting the people who become rich first and also takes note of supporting and helping the people lagging behind. The purpose of visiting rich and able persons is to seek experience and methods for the poor and the masses. The aim of such visits is to enable

more people to get better off as quickly as possible and to further improve the art of leading work of the leading cadres.

In the final analysis, leading the masses in getting rich is building socialism with Chinese characteristics. The premise of the four modernizations is socialist modernization. Likewise, the premise of encouraging the people in getting rich is to get rich through hard work and adhere to the socialist orientation. If we deviate from this premise, we will go astray. Therefore, in the course of leading the masses in getting better off, we must, at all times, take note of the simultaneous building of material and spiritual civilization, carry out the activities of "five stresses, four beauties, and three loves," conduct ideological education on socialism, and use communist ideology to train people, so that the people of all nationalities in China can have a high degree of material civilization as well as lofty ideals, morality, better education, and a sense of discipline. Over the past few years Baoding Prefecture carried out the activities of "winning honor for the party and working for the interests of the people," the army and people jointly building civilized units and villages, "honored families in getting rich through hard work," "exemplary households in abiding by law and discipline," and "civilized five-good families." In conducting these activities, the prefecture integrated the education of communist ideals with the current work of encouraging the masses to get better off, made ideological education more vivid and specific, and ensured and promoted the healthy development of the mass activity in taking the road to prosperity.

CSO: 4004/25



AN HISTORICAL CONFERENCE WHICH SHOULDERS HEAVY RESPONSIBILITIES--IN  
COMMEMORATION OF THE 30TH ANNIVERSARY OF THE AFRO-ASIAN CONFERENCE

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 23-26

[Article by Huang Zhen [7806 6966]]

[Text] Thirty years ago, led by Premier Zhou Enlai, the Chinese delegation participated in the Afro-Asian conference held in Bandung, Indonesia. This was an historical gathering of government leaders of 29 Afro-Asian countries after World War II. Its significance has gone far beyond the scope of Asia and Africa. As the Chinese ambassador to Indonesia and member of the delegation, I took part in this grand gathering. Thirty years have elapsed, but the grand occasion still remains fresh in my memory.

I

The initiation and holding of the Afro-Asian conference corresponded to the trends of the era.

For several centuries, the Asian and African people suffered colonial plunder and oppression and were in a state of poverty and backwardness. Their destiny was determined by others and their voices were suppressed. They had no alternative but to rise against colonialists.

The Asian and African people endured great suffering in the two world wars. The people of many Afro-Asian regions were made a cannon fodder by the aggressor countries. They bitterly hated the wars and cherished a love for world peace.

The people of various countries went through the test of World War II. Peace-loving and democratic forces kept growing and national independent movements kept developing vigorously. Many new independent countries emerged in Afro-Asian regions after the end of World War II, and profound changes took place in Asia and Africa.

The Afro-Asian countries and people who had won independence were faced with the arduous task of safeguarding their independence and sovereignty and building their countries. Therefore, they urgently required a peaceful international environment. They also wanted to develop their economic cooperation and cultural exchanges so as to support and promote each other.

However, colonialist rule in Afro-Asian regions had not ended and many Asian and African people still lived in colonialist slavery. Striving for and safeguarding national independence and putting an end to colonialist rule still remained a difficult task for the Asian and African people. In addition, not long after World War II, imperialists and colonialists stepped up their efforts for arms expansion and war preparations, created tension, and even provoked local wars, thus posing a new threat to the Asian and African peoples and the peace-loving people of the rest of the world.

In view of the above situation, opposing colonialists, striving for and safeguarding national independence, opposing aggressive wars, defending world peace, and strengthening friendly cooperation between the Afro-Asian countries on these bases became the objective need and common wish of the Asian and African people. This was the basis for holding the Afro-Asian conference.

Prior to the initiation of the Afro-Asian conference, China signed joint declarations with India and Burma, respectively, in which the five principles of peaceful coexistence were established. They called on all countries in the world, regardless of their systems, to coexist peacefully on the basis of mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, equality, and mutual benefit. Subsequently, these guidelines were commonly accepted as norms for handling relations between various countries and produced a positive impact on the convention of the Afro-Asian conference.

Prime ministers of the five countries participating in the Colombo conference judged the hour and sized up the situation. At the Bogor conference in December 1954, they adopted a decision to convene the Afro-Asian conference and put forward the aim of the conference, which reflected the common wishes and desires of the Asian and African people. Their proposal called forth warm responses from the governments of the Afro-Asian countries invited to the conference and was popularly welcomed by the people of the world. The Chinese Government immediately sent a telegram expressing its agreement with the aim of the conference. In line with the decision of the NPC Standing Committee, Chairman Mao Zedong appointed Premier Zhou Enlai chief representative of the Chinese delegation.

## II

For the first time in history, government leaders of 29 Afro-Asian countries, whose populations account for almost two-thirds of the world's total, gathered to discuss matters of common interest. This showed that the people of the two big continents were determined to grasp their destiny in their own hands and not to allow themselves to be ordered about by others. It also declared to the world that the Asian and African people wanted to display their independent role in international affairs.

The countries participating in the conference had different social systems and ideologies. They were different from each other in terms of nationality, language, culture, religious belief, and economic development. Some of them

had diplomatic relations or were on friendly terms with each other, but others did not have relations or were estranged from each other. In spite of all this, they found a common language in Bandung--peace, independence, cooperation, unity, consultation, and the seeking of common ground. This common language reverberated through the conference hall of Istana Merdeka [the Independence Building] of Bandung. This constituted the main content of what is popularly called the "Bandung spirit."

The Afro-Asian conference lasted for a week. One week is a very short span of time in the long process of human history. But what took place during the historical week in Bandung was of far-reaching significance to the Asian and African people and to the rest of the world. This influence has been felt by more and more people with the lapse of time and the changes of the eras.

The achievements of the Afro-Asian conference were contained in the "final communique of the Afro-Asian conference" (including the "declaration on the promotion of world peace and cooperation") unanimously approved by the conference. The common wishes and desires of the Asian and African peoples ran through the resolutions adopted by the conference. The conference declared: "In whatever form it appears, colonialism is a danger that must be rapidly uprooted." It pointed out that striving for and safeguarding national independence and putting a complete end to colonialist rule still remained a difficult task for the Asian and African peoples. The conference supported the "principle of the self-determination of the peoples and nations" and affirmed that "self-determination is the prerequisite for enjoying all basic human rights." The conference condemned the policy of racial segregation and racial discrimination and supported all struggles against racial discrimination. The conference supported the rights of some North African countries for self-determination and independence as well as the rights of Palestinian Arabs. These resolutions forcefully promoted the national independent movements in the Afro-Asian regions and their struggle against racial discrimination. The emergence of a large number of independent Asian, African, and Latin American countries as equals on the international stage over the past 30 years since the Afro-Asian conference are the best proof of this.

The "declaration on the promotion of world peace and cooperation" approved by the conference expressed the common desire of the Asian and African people to oppose aggressive wars and defend world peace.

The 10 principles for guiding relations between countries set forth by the "declaration" are an extension of the 5 principles of peaceful coexistence. For centuries, international relations have been dominated by power politics, which is characterized by the bullying of the small, the weak, and the poor by the big, the powerful, and the prosperous. The 10 principles emerged on the international stage precisely as the antithesis of these intolerable concepts and phenomena. They should be made the basis for a new type of relations between countries, characterized by the peaceful coexistence of these countries and cooperation between them.

To promote unity and friendly relations between Afro-Asian countries, the Afro-Asian conference adopted resolutions on economic and cultural cooperation. The conference maintained that economic cooperation between Afro-Asian countries should be carried out on the basis of mutual benefit and mutual respect for sovereignty. This is a new type of relations through which each supplies what the other needs. Such relations have bright prospects. The South-South cooperation currently underway is a manifestation of such a principle. The resolution of the conference on cultural cooperation is beneficial to promoting cultural exchanges between Afro-Asian countries. It has far-reaching significance for enhancing the national consciousness of the Asian and African peoples, for promoting mutual understanding between them, and for strengthening their unity.

What should be pointed out is that the conference's spirit of seeking common ground while reserving differences has played an immensely significant role. This was one of the remarkable achievements of the conference. The unanimous adoption of the final communique by the conference showed that although representatives of the participating countries had differences of opinion on certain problems and some of them were estranged from each other by external factors, they still made contributions to safeguarding peace and promoting friendly cooperation, as they proceeded from the common interests of the Asian and African peoples, attached importance to the unity of Afro-Asian countries and to their struggle against colonialism, and conducted friendly consultations on the basis of seeking common ground while reserving differences. In this sense, the Afro-Asian conference could not but be a great success characterized by the spirit of seeking common ground while reserving differences. It set a good example for other regions in the world in probing problems of common interest.

As the host, the Indonesian Government and people made great contributions to making the Afro-Asian conference a success. The efforts they devoted to ensuring the success of the conference and their hospitality made it possible for the conference to achieve good results.

### III

The achievements of the Afro-Asian conference were not easily made. They were the result of the common efforts devoted by the participating countries. The Chinese delegation also made its contribution. When recalling the conference, Premier Zhou's remarkable diplomatic style rose before my eyes.

The deepest impression Premier Zhou made on me was that he was good at working with people of different views. While sticking to principles, he could also unite with others and strive for concluding the best agreements. While participating in activities in and outside the conference, I could see that Premier Zhou always adhered to the principles of the Chinese Government of seeking common ground while reserving differences and of equal consultation. Not only did he cooperate well with state leaders who held close or similar views, but he also respected state leaders holding different views, carefully listened to their remarks, calmly exchanged views with them, tried

all possible means to accept their suggestions, and patiently sought common ground.

For example, some people did not like some of the words used in the five principles of peaceful coexistence. Premier Zhou agreed that they should be amended. At a political committee meeting, he said: "Some of the representatives present here say that peaceful coexistence is a phrase used by the Communist Party. We can substitute another phrase for it so as to prevent misunderstanding in this connection." He suggested the phrase "getting along with each other peacefully," as used in the preface to the UN Charter. He said: "We should be able to agree with this. We can take the stand as clarified in the UN Charter to seek peaceful cooperation."

Some people still could not fully agree with the wording of the five principles; others thought that there were more than five principles. Premier Zhou said: "The wording can be amended and the number of principles can be increased or reduced. What we are seeking is to affirm our common wishes so as to ensure collective peace."

In the spirit of seeking common ground while reserving differences, the conference finally laid down the 10 principles for getting along with each other peacefully and developing friendly cooperation. The 10 principles absorbed the supplementary suggestions made by representatives of the participating countries, retained the essence of the 5 principles, became a component of the Bandung spirit, and exerted a positive impact on international relations.

What is worth mentioning is that some great differences of opinion arose at the conference, including a misunderstanding and even distortion of communism and new China's policy. Such a misunderstanding and distortion could not but create a tense atmosphere at the conference. Premier Zhou adopted the attitude of adhering to principles and taking account of the overall situation. At the conference, he explicitly said that he did not agree with such viewpoints, but that the conference should not have debate on this problem. With regard to remarks asserting that there was no freedom of religion in China, Premier Zhou gave a direct explanation and invited the participants to come to China to see for themselves. What was more important was that outside the conference he had serious talks with the representatives concerned by reasoning and presenting the facts, thus enhancing mutual understanding, attaining reconciliation, and preventing side issues from hampering the central issue of the conference.

In fact, Premier Zhou's conciliatory attitude had already been shown in his first speech at the plenary session of the Afro-Asian conference by declaring that "the Chinese delegation is here to seek common ground and not to create differences." This was the most important information the Chinese delegation brought to the conference. Everyone was listening attentively to Premier Zhou's speech. When he said that "the Chinese delegation is here to seek unity and not to quarrel," everyone's expression relaxed.

Facts proved that Premier Zhou's resoluteness, wisdom, and flexibility in implementing the spirit of seeking common ground while reserving differences

as well as in cooperating with other representatives made it possible for the conference to put differences aside, to promote unity, and to meet with satisfactory success.

Another deep impression of Premier Zhou during his stay in Bandung was that he had initiative, and bold vision, and was patient and meticulous in relaxing the tense situation in the Taiwan area. At that time, many countries were concerned about Sino-U.S. relations and the tense situation in the Taiwan area, but they did not understand the crux of the issue. Affected by distorted propaganda, some people had a misunderstanding and misgivings about China's policy. In view of this situation, Premier Zhou did a great deal of meticulous work, presented facts, and clarified China's stand. A meeting was arranged outside the conference for heads of eight delegations to discuss this problem. As a result, the representatives participating in the meeting had a clearer understanding of China's stand. After this, Premier Zhou declared to the world the well-known statement: "The Chinese Government is willing to sit down and enter into negotiations with the U.S. Government." This statement caused repercussions in Bandung and won worldwide sympathy.

Historical developments show that China and the United States finally sat down and entered into negotiations. Although the negotiations went on for several years, an agreement on establishing diplomatic relations was finally concluded through the common efforts of both sides.

Premier Zhou's spirit of utter devotion to fulfilling the arduous tasks of the Chinese delegation and the conference made another unforgettable impression on me. While in Bandung, apart from attending the heavily scheduled conference, he also held many meetings and banquets outside the conference. These meetings sometimes started as early as 0730 and ended as late as 0100 to 0200. Some banquets even started at 2300. In these activities, he treated others as equals, was sincere and hospitable, had quick responses, and talked cheerfully and humorously. Even when dealing with differences of opinion, he was always calm and never forced his views on others. Of the 28 countries participating in the Afro-Asian conference, only a few had diplomatic relations with China. However, Premier Zhou made extensive contacts with representatives of the countries which did not have diplomatic relations with China. Many of the representatives were only meeting Premier Zhou for the first time, but they felt like old friends at the first meeting. These representatives later became good friends of China. Premier Zhou took minute pains and worked tirelessly for the common cause of the Asian and African peoples and for fulfilling the difficult tasks entrusted by the Chinese people. He set a good example for personnel engaged in foreign affairs.

#### IV

Since the Afro-Asian conference, the Third World countries in Asia, Africa, and Latin America have strengthened unity and their struggle against colonialism, imperialism, and hegemonism, and have played a more and more important role in international affairs.

However, the objectives set by the Afro-Asian conference have not been fully achieved. The escalating arms race between the superpowers and the existence of regional "hot spots" continue to infringe on the interests of the Third World countries and to threaten world peace. In addition, as a result of the problems left over from history, there are still contradictions, disputes, and even armed conflicts between some Third World countries, which has aroused uneasiness in various countries. The Third World countries have entered a new historical period in which their central task is to strive for economic development. Further strengthening South-South cooperation and their economic relations and establishing a new international economic order based on equality and mutual benefit have become their new common aspiration.

In fulfilling new historical tasks, it is necessary to review the "Bandung spirit" so as to gain wisdom and strength. The burden is heavy and the road is long, but I am full of confidence in the development and future of the Third World countries and the world as I am concluding my memoirs.

CSO: 4004/25

## BUILDING LEADING GROUPS REQUIRES DESTRUCTION OF OLD CONCEPTS

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 27-28

[Article by Li Lian [2621 0500 1344]--passages within slantlines published in boldface]

[Text] With regard to building the leading groups and the cadre contingent, it is imperative to break away from the bondage of small-scale peasant economy mentality and the concept of the patriarchal clan system, to form the new concepts of showing respect to knowledge and qualified people and of scoring successes through intelligence.

China has gone through centuries of feudal society, and in modern history, it was turned into a semifeudal and semicolonial society, with its commodity economy hardly developed and the production mode and work style of small-scale production dominating its economic and social life. Compared with the more economically and culturally developed regions of the interior, the problems of Heilongjiang in this respect are all the more conspicuous. Thus, people's minds are still shackled by the small-scale peasant economy mentality characterized by narrowmindedness, conservatism, and satisfaction with the existing state of affairs and the ideology of the patriarchal clan system characterized by considering qualifications and arranging ranks according to seniority and appointing people by favoritism. The chief expressions of this are:

/1. Preference is given to physical strength, with intelligence given little weight of./ An important characteristic of small-scale production is that the purpose of production is not exchange but self-sufficiency. Under this form of natural economy, people are used to the traditional production mode "with men farming the land and women weaving cloth," and they are satisfied with working hard step by step, "starting to work at sunrise, and calling it a day at sunset." In the main, what involves the laborers is their physical strength, not intelligence, and what they rely on is mainly their own experience, not scientific knowledge. Because people are ignorant and ill-informed resulting from self-seclusion over a very long period of time, a concept has taken shape in people's minds, namely, social material wealth is created by physical labor alone. Our work in the past mostly relied on physical strength as well, very little on intelligence. For instance, there was a drought in 1983, and the chief means we relied on in fighting the



drought was buckets and all kinds of household utensils available to carry water, while our wives and children contributed their efforts, too, going all out in the fight. This worked somehow. But some scientists said, there had been signs of a drought half a month before, but why did you fail to look to us, when we could have found some solutions in the seed, the crops, and other aspects to save some of your money and efforts and yield better results. Despising knowledge and intellectuals has become a traditional prejudice, which has not been eliminated even today.

/2. Considering qualifications and arranging ranks according to seniority, and demanding perfection./ With regard to the concepts of the feudal patriarchal clan system, the feudal order of absolute obedience and loyalty on the part of the ministers to the king, and that on the part of the sons to their father was demanded. The arrangement of official ranks was based on family background and seniority. Under such a system, "the worthy and intelligent" could not skip a rank in promotion, while "the ignorant and unworthy" were placed in high positions because of the hereditary system. Despite the fact that the hereditary system no longer exists in our country today, the concept of considering qualifications and arranging ranks according to seniority is still firmly set in people's minds. For instance, we often hear people say, Comrade so-and-so is not bad in his work, but it was I who recommended him for party membership; when I was county governor, he was a section chief under me, so how come he is now my superior? I graduated from the seventh class of the party school and he from the eighth, so naturally I should come before him; I graduated from a famous university, while he hailed from an ordinary college; my educational background is better than his; therefore, I should not be placed behind him, and so on and so forth.

Hand in hand with considering qualifications and arranging ranks according to seniority is demand for perfection in the selection and appointment of cadres. If someone with qualifications and record of service and the right seniority is promoted, there will be less gossip, for this seems to follow a logical line, as he has waited long enough for his turn. As for shortcomings, both veteran and new cadres have them; however, relatively speaking, people will forgive veteran comrades for their shortcomings; but if a "nobody" is appointed, who has little qualifications and record of service, and who is nevertheless very competent and capable of making a breakthrough in the situation, the demands on him can be rather harsh. There will be a great fuss about his shortcomings; and he will even be pinned against the wall for some faults and weaknesses, while his merits are not touched upon. This is an important reason why there has not been a significant breakthrough in our appointment of qualified people. Now, are our veteran comrades immune from shortcomings? In my opinion, some of our veteran comrades have a stronger tint of individual heroism, arrogance, and self-complacency than our new comrades. Some of them show little respect for other veteran comrades, not to speak of new comrades. However, he is known as a veteran comrade, and it is just his way, which we all know very well, and he is forgiven. But this is not helpful to our undertakings. I hold that the practice should be reversed on the question of showing leniency to veteran comrades and being harsh on new comrades. Regarding new comrades, we should be strict as well as lenient toward them. We set strict requirements for new comrades in order

that they may grow mature as quickly as possible; however, in the course of their growth, immaturity in some respects is unavoidable; and they need help and guidance. The harsh requirements placed on them in undue haste will not be helpful to their growth. Regarding veteran comrades, we should set stricter requirements for them. This is because they have been educated more by the party, and they have wider influence both inside and outside the party. If our cadre contingent is to meet the requirements of being revolutionary, younger in average age, better educated, and more professionally competent, we must be bold at appointing those young people who have basically met the above-mentioned requirements, who are outstanding in some specific fields, promising, and with potential capabilities; but this does not mean that they are now doing a better job than veteran comrades. For all their shortcomings, we must see the mainstream, the development and the basic qualities in them. If we fail to promote them, train them, and use them in certain posts, but just let them grow naturally till they become 50 or 60 years old, it will be too late even if we want to use them then. It is impossible for an aging group to make a breakthrough in the situation in their work.

/3. Egalitarianism and jealousy of the worthy and able./ Egalitarianism is the offspring of individual handicraft industry and small-scale peasant economy, which regard absolute egalitarianism as equality. Therefore, peasant uprisings throughout all dynasties in China's history always took "equal shares" as their political slogan. Today, such a concept fails to become a motive force in pushing forward the change of social system; on the contrary, it has become an inertia obstructing social progress and economic development. Its shortcomings are opposing competition and protecting backwardness. At present, such a concept still has a market. For example, with the emergence of "10,000-yuan households" in the rural areas, some people have grown green-eyed; others heap freezing irony and burning satire on those who have scored successes in their work; as for anybody who is promoted to an important post, some people will "nip it in the bud" and "find faults with him"; and a person is just promoted when an anonymous letter says that he is incompetent. The mentality of these people is that they would rather have everyone tied up and suffering from poverty than allow some people to get rich first; they would rather have everybody remaining backward than somebody becoming outstanding. Such egalitarian ideas repelling competition is out of place with the objective demands for enlivening the economy and attaching importance to qualified people. We have experiences and lessons in this respect. Marching forward in a row and keeping abreast with each other is possible on the parade ground, but not in practical life. Somebody must take the lead, next comes the second echelon, then those behind. Therefore, we must break through egalitarian ideas.

/4. Appointing people by favoritism, and building the connections network./ The feudal patriarchal clan system was a system based on the blood relationship of the clan, which linked with the state system to safeguard the hereditary rule of the feudal nobility. Such a system was bound to attach importance to blood relationship in appointing people, and to make light of intelligence and ability. Today, the existence of factionalism and appointing people by favoritism in some localities and units is an expression

of the remnants of such a feudal patriarchal concept. In particular, some people proceed from their personal interests and feelings or those of a small group instead of party spirit in readjusting the organs and selecting and recommending middle-aged and young cadres to leading groups; and they disregard the political integrity and talent of the person concerned but take into consideration only how this person is related to them, turning the selection of successors into a hunt for their "agents." Factionalism has not been eliminated so far in a very small number of localities and departments, and the situation there is something like "having no protruding hills in sight but reefs under water." And the implementation of the party's line of appointing people according to their political integrity and ability will be impossible without a solution of these problems.

In short, there are many expressions of small-scale peasant economy mentality and the concept of feudal patriarchal clan system with regard to building the cadre contingent and the leading groups. We should by no means underestimate their influences and harm. Comrade Hu Yaobang pointed out not so long ago: In our entire ideology, there are bourgeois things to be resisted, however, there are remnants of ideas of small-scale peasant economy and the feudal patriarchal clan system left over from a history of several thousand years as well. This problem will probably take our efforts of 2 or 3 decades to be thoroughly solved. We should link this suggestion with the actual state of our mind and work and get a profound grasp of its meaning, in order to conscientiously overcome all kinds of popular prejudice and outmoded concepts.

At present, the leading groups at all levels are in the crucial stage of replacement and cooperation. If a poor job is done in replacement and cooperation at this stage, it will affect not only our work today, but also the development of our undertakings in the future. Therefore, we should not just fix our eyes on our present tasks of production and economic indexes, and feel only the pressure from this field, but should also pay attention to the exploitation of intellectual resources and the building of the cadre contingent, and always bear in mind our responsibilities in this aspect; only then will it be possible for our work to have enough reserve energy.

CSO: 4004/25

## LET CRITICISM YIELD GOOD RESULTS

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 29-31

[Article by Cui Ying [1508 5391]--passages within slantlines published in boldface]

[Text] The second group [pi [2106]] of units carrying out party rectification have entered the phase [jieduan [7132 3008]] of comparison and examination one after another. The experiences of the first group of units carrying out party rectification prove that in order to make criticism yield good results, it is imperative to handle well the following four relationships:

/1. Desire for unity must be integrated with a scientific approach./

The decision of the CPC Central Committee on party rectification pointed out: While making criticism and self-criticism, we must proceed from the desire for unity and help those who are criticized. Only by having the desire for unity is it possible to enthusiastically help erring comrades. Besides having the desire for unity, it is also necessary to correctly and conscientiously carry out criticism and self-criticism in order to contrast differing views to distinguish right from wrong, and to solve contradictions. When making criticism, we must grasp a scientific approach. This has two meanings:

First, it is necessary to adhere to the principle of seeking truth from facts and to act according to a dialectical viewpoint. When making comparison and examination or carrying out criticism, we should pay attention to the accuracy of the content of our criticism and to base our criticism on facts. The criticism and self-criticism our party advocates must be both materialistic and dialectical, the former referring to reflection of the true features of things and the latter to the need to divide one into two and to adopt a method of analysis toward people and things. It is necessary to realistically analyze problems of different natures, as well as the different circumstances of the same types of problem. It is wrong to affirm or negate everything and it is also wrong to make no distinction between problems of different natures or circumstances. For example, when analyzing factionalism, we should affirm that the two factions were outcomes of an erroneous line and negate the view that one faction was correct and another was wrong. However, we should also make a specific analysis of people joining the two factions, affirming that the great majority of the comrades are good and

that they joined the mass organizations at that time out of their faith in the party and Comrade Mao Zedong. This method of analyzing and differentiating people and things reflects the ideological line of seeking truth from facts and the party's policy. In this way, the problems of factionalism left over from the past can be solved satisfactorily and convincingly and the objective of clearing up misunderstandings, eliminating factionalism, and strengthening party spirit can be achieved.

Second, attention must be paid to the method of criticism in order to attain the best results in unfolding criticism. That is to say, we should not only pay attention to the accuracy of the content of criticism but also adopt a scientific approach to enable those criticized to accept the criticism. In the past, when making criticism, some comrades tended to neglect the results or effect. They adopted a subjective approach toward problems and made arbitrary decisions on hearsay. They were keen on using bitterly sarcastic words and even hurt other people's feelings with malicious slander. In the current party rectification, many units have corrected the previous practice by adhering to principle, making criticism and self-criticism in the manner of a gentle breeze and a mild rain, stressing persuasion, convincing people by reasoning, and extensively holding heart-to-heart talks. They have attained satisfactory results, enabling the erring comrades to have ease of mind and to correct their mistakes.

## /2. Criticism must be integrated with self-criticism./

Attention must be paid to integrating criticism with self-criticism in the course of party rectification. This is an important condition for creating a democratic atmosphere within the party. In practical life people are often afraid of criticism. An important cause for this is that a method of "pressuring people into submission" has been adopted in some criticisms. In such cases, democratic rights are granted only to people making criticism and not to people who are criticized. Some people often make those criticized make self-criticism or admit their errors according to the content of criticism. They do not allow those criticized to make some necessary explanations. If explanations are made, they will be denounced by others for lacking modesty and for adopting an incorrect attitude. This practice of denying those criticized democratic rights and not allowing them to defend themselves is very harmful. Not all criticisms can accurately reflect the objective reality of those criticized. Therefore, it is not only necessary to stress modesty on the part of those who are criticized but the persons making criticisms must also be modest. Only by discussing problems and comparing notes with those criticized with an equal, comradely, and democratic attitude and allowing various views to be aired is it possible to make comparison. Only by comparing, distinguishing, and criticizing can people prove where the truth lies. If the allegation against the person criticized shows that he persists in his errors, we can make further efforts to help him; if it shows that there are some errors in the content of our criticisms, we should promptly correct the points inconsistent with the facts. Therefore, allowing people to defend themselves can help distinguish right from wrong, unite comrades, and correct errors. Otherwise, it can often result in a "deadlock" or a situation characterized by "modestly accepting" criticisms

in appearance but expressing disagreement in one's heart of hearts, which is not conducive to the genuine solution of contradictions.

Allowing people to defend themselves is essentially different from being immodest and opposing criticism. In the early stage of party rectification, two situations emerged in some units. First, when criticizing leading cadres, the masses wanted them "to be glad to have their errors pointed out and to correct mistakes if they had any." They were not accustomed to hearing the leading cadres make explanations, still less to hearing the leading cadres defend themselves. As soon as the leading cadres defended themselves, the masses would say that the leaders suppressed criticism and democracy. The leading cadres felt vexed about this. Second, when criticizing the masses, some leading cadres wanted the masses to "accept the criticism modestly," thus manifesting the mentality of absolute obedience to power as though high-ranking officials with great power had more truth. If the masses expressed disagreement, they would say that the masses had no respect for leaders, lacked modesty, and were proud. The masses also felt vexed about this. For a time, these one-sided understandings adversely affected the correct unfolding of criticism and self-criticism. After studying the documents on party rectification, many units promptly rectified this state of affairs, thus bringing about a democratic atmosphere of "absolute obedience to truth" and mutual criticism and self-criticism. Consequently, all comrades were relieved and satisfied and the friendship and unity among comrades were strengthened.

The practice of the first group of units carrying out party rectification also proves that when making criticism, we should not only stress the aspect of "not blaming the speaker but being warned by his words." We should also stress another aspect: The speaker must hold himself responsible and should avoid making assertions without good grounds. True, we should encourage those who are criticized, and particularly the leading cadres, to exercise forbearance and to modestly listen to differing views. However, encouraging modesty does not mean that we should "swallow something whole." If there are considerable discrepancies between the content of criticism and the facts and if there is a difference in principle in each other's viewpoints, it is necessary to make explanations. We are opposed to unprincipled "compromise out of consideration for the general interest." In fact, due to various objective circumstances, some criticisms do not wholly conform to the practical situation and some people, actuated by a certain motive, intentionally distort or exaggerate the facts. Under these circumstances, it is even more necessary to allow those who are criticized to make explanations in order to clarify right and wrong. It will also help those who are criticized to correct their mistakes and, what is more, prevent bad people from attacking good people.

### /3. Serious criticism must be integrated with patient help./

Whether an erring person can correct his shortcomings or mistakes depends, in the last analysis, on his ideological awareness. This awareness can only develop through changes in his internal factors. The genuine enhancement of a person's ideological awareness is also a long process of understanding.

Therefore, on the one hand, we should seriously criticize the erring comrades and, on the other hand, we should also give them a chance to heighten their awareness and time to seriously consider their problems. In the course of urging them to heighten their awareness, we should not discriminate against or look down upon them but should be friendly with, encourage, and unite with them. Imbued with comradely feelings, we should sincerely help them and patiently persuade them. Making serious criticism is aimed at urging them to heighten their awareness and patiently helping them is a method of attaining this objective. Both are united and complement each other. Serious criticism is not tantamount to brutal struggle and patient persuasion does not mean a lowering of criterion. Only by combining the two methods, "observing how the erring comrades behave and giving them help" is it possible to transform contradictions. In the course of the transformation, we should allow the comrades who have made mistakes to have ideological relapses. This is because the struggle of various contradictions in a person's mind cannot be solved once and for all and the mistakes that have been realized cannot be thoroughly corrected at once. Even if the mistakes have been corrected for a short while, new contradictions may still emerge under new conditions. There is nothing strange about it. If this situation should emerge, we should also bide our time and exercise patient persuasion. We seem to set strict demands by not allowing people to have relapses but, because it runs counter to the law governing the development of things, we shall still fail to achieve the objective of clarifying ideas, correcting mistakes, uniting comrades, and making progress together.

/4. Learning from past mistakes to avoid future ones must be integrated with curing the sickness to save the patient./

In its decision on party rectification, the CPC Central Committee has particularly stipulated that it is necessary to adopt the policy of "learning from past mistakes to avoid future ones and curing the sickness to save the patient" toward comrades who have made mistakes. This is a summation of historical experiences. A person's mistakes always have their historical and ideological roots, which are often interlocked. If we understand this in theoretical terms, we can easily understand why mistakes are always unavoidable. The question is what attitude we should adopt toward erring comrades. Naturally, it is wrong to let mistakes develop without exposing, struggling against, and correcting them on the grounds that they are unavoidable. It is even more wrong to wage ruthless struggle and to strike merciless blows. Therefore, the only correct principle toward erring comrades is "learn from past mistakes to avoid future ones and to cure the sickness to save the patient." When curing a person's illness, a doctor should first ascertain the state of the illness. Only in this way can he suit the remedy to the case and cure the illness. Therefore, it is absolutely necessary to expose the mistakes of the past without sparing anyone's sensibilities. We should help an erring comrade to analyze his mistakes. We criticize him with the sole aim of saving him and turning him into a good comrade. The principle of "learning from past mistakes to avoid future ones and curing the sickness to save the patient" reflects the strong sense of principle and the earnestness of our party. It also reflects the party's concern and love for cadres and the party's responsible attitude. This

principle is also an important component of our party's cadre line and policy. It is not a terrible thing to have made mistakes for they often have a dual character. We often said in the past that a bad thing can be turned into a good one. However, there is a prerequisite for turning a bad thing into a good one. This makes it necessary for us to have the courage to expose the shortcomings and mistakes in our work, to learn from Lu Xun in being strict in appraising ourselves, to conscientiously and correctly making criticism and self-criticism, to consolidate the party organization, and to enhance the combat effectiveness of the party.

CSO: 4004/25



## CADRES WHO ARE IN CHARGE OF CADRE MANAGEMENT MUST ALSO BE BETTER EDUCATED

Beijing RED FLAG in Chinese No 8, 16 Apr 85 p 31

[Article by Xi Siyou [1598 1835 0645]]

[Text] Here is an interesting case. A fresh university graduate was assigned to work in a unit. When the department in charge of cadre management knew that his major was "laser," it applied to the higher authorities to appoint him as a technician to repair ordinary optical instruments. This appointment seemed to be a very appropriate one. The problem is that the strong and concentrated light beam emitted from the laser-producing instrument is fundamentally different from ordinary light beams. In less than a month, the fresh university graduate and the unit where he was working both applied for transfer. This example shows that the cadres who are in charge of cadre management must also be better educated and must have basic knowledge of modern science and technology.

Our past principle governing the appointment of cadres was based on honesty and reliability. This was without doubt correct. The problem is that we often ignored knowledge. Some of our comrades who became cadres were not so eager to learn modern scientific and technological knowledge because they had a sense of superiority and misunderstood the nature of their work. So, at present, the most serious problem in the department in charge of the cadre management is that the cadres who are in charge of cadre management are not well-educated and their knowledge is insufficient.

Most of the cadres of our party have not had sufficient education. Under such special circumstances, the department in charge of cadre management did not pay much attention to education and knowledge in the past. This is a historical phenomenon. In the new historical period, this situation no longer conforms with the needs of the four modernizations. The education standard of the whole contingent of our cadres is being constantly improved. More and more scientific and technological personnel have joined or will join the contingent of cadres. So, if the cadres who are in charge of cadre management lack the necessary scientific knowledge, how can they give valuable advice to the leaders and help the leaders to know, examine, and make the best use of the various kinds of cadres?

In fact, many units are very keen on carrying out the reform. They dare to select and promote the qualified personnel and are trying to improve the

overall education structure of the departments in charge of cadre management. For example, the capital iron and steel company, which has a large number of scientific and technological personnel, has appointed a woman engineer to be the head of the department in charge of cadre management under the leadership of the party committee. Our Beijing armed police force has decided to select well-educated and responsible cadres to work in the department in charge of cadre management, send promising young cadres to the schools to receive formal training, and strengthen the in-service independent university-level study of the cadres, so as to gradually realize the "four transformations" of the department in charge of cadre management. In a word, owing to the needs of the building modernization and developing the contingent of cadres, the cadres who are in charge of cadre management not only must but also can be better educated.

CSO: 4004/25

## A TENTATIVE DISCUSSION ON BASING PRICES ON QUALITY

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 32-35

[Article by Lu Nan [6424 0589]]

[Text]

### I

Basing prices on quality is an economic policy enforced in our country. Enforcement of this policy can encourage the enterprises to continuously improve the quality of their products, and improvement in the quality of products is an important landmark of improved economic results. With labor input and consumption of materials remaining unchanged, an increase in the quantity of output is tantamount to improving the economic results, just as improving the quality of products is improving the economic results. For example, if we can use the same amount of labor and materials and produce electric bulbs with a lifespan of 6,000 hours each, that is, 2,000 more hours than ordinary electric bulbs, we are in reality creating for society 50 percent more electric bulbs of the ordinary quality. Marx, when discussing the influence of the quality of raw materials and machines on production, pointed out: "In the production process, the proportion of raw materials being converted into waste materials is determined by the quality of the machines and tools in use. In the end, this has to be determined by the quality of the raw materials themselves." ("Collected Works of Marx and Engels," Vol 25, p 119) In other words, if we can improve the quality of the machines, tools, and raw materials then, in the production process, the quantity of raw materials becoming waste materials will be reduced and we can produce more products using the same quantity of raw materials. Moreover, elevation of the quality of the raw materials, machines, and tools will provide the material conditions for the production of new products of an even better quality and of even greater usefulness as well as conditions for progress in science and technology. From this it can be seen that improving the quality of products has an exceedingly important significance to the socialist modernization program of our country.

In recent years, in the matter of turning out products of superior quality, we have already achieved certain outstanding results. However, seen as a whole, the poor quality of our products is still an important problem confronting our country's industry. It is a problem which has a bearing on whether or not our country can attain a prosperous industrial development.

In addition, the poor quality of our agricultural products also presents an outstanding problem. It not only directly affects the interests of the consumers but also affects the quality of the industrial products. For example, we can hardly turn out textile products of a superior quality from cotton or wool of a poor quality.

There are many causes impeding the improvement of the quality of our products. One of the important causes is the failure to properly implement the policy of basing prices on quality. This is precisely what the "Decision of the CPC Central Committee on Reform of the Economic Structure" has pointed out-- "inadequate price differentials for a given product with diverse quality." In regard to industrial products, there is the phenomenon of good-quality products and poor-quality products bearing the same price, and even of the good-quality products bearing a lower price and the poor-quality products bearing a higher price; there exists the phenomenon of too small a price differential, or even no price differential at all, between new products and outdated products; and there also exists the phenomenon of the new products being too highly priced. All this is detrimental to improving the quality of the products and to the production and marketing of new products and retards the progress of the development of new products. Concerning the state purchases of agricultural products, apart from the existing phenomena of either depressing, or uplifting, the grade and price of the goods, the prices themselves also have the phenomenon of not conforming with the demand of being based on quality, as some of the price differentials are not at all rational while in some cases there is no price differential at all. For example, concerning cotton in our country its grading and price differential are principally based on the length of the fiber and its luster but the tensility of the fiber is not considered. In the case of sugar cane, beet and other members of the sugar crop, no distinction is made between their sugar content but all are purchased at the same price. Such prices inevitably lead to the peasants seeking output quantity and not quality. In the commercial marketing sectors, at one time the policy of basing price on quality was enforced in a fairly good manner. Subsequently, this work of comparing quality with prices was gradually loosened and the phenomenon of inadequacy between quality and price became increasingly prevalent. This also indirectly affected the improvement of the quality of the products.

## II

Basing prices on quality is the demand of the law of value. The policy of basing prices on quality is precisely a policy formulated in accordance with the demand of the law of value.

The use value of commodities is the material exponent of value. "Before a commodity is taken as realized value, it must prove itself to have use value, because human labor spent on a commodity can only be recognized through the form of its being useful to other people." ("Collected Works of Marx and Engels," Vol 23, p 103) The higher the quality of a commodity, the better it can serve the needs of people. Hence, in the exchange process of commodities, there is a definite demand for quality. For example, in the case of many raw materials there are regulations governing the proportion of

foreign matter and their physical and chemical functions; machinery articles are subject to the requirements concerning their function, consumption of energy, safety protection and time limit for overhauling; and food is subject to the requirements of color, flavor, smell, nutrition content and hygienic targets.

Commodities of different qualities possess different values, because of the different quantities of labor they have materialized.

Under one set of conditions, it may happen that in the production of articles of different qualities, different raw materials are used and different quantities of materialized labor are transformed. For example, take the making of pens and iridium-point pens. They are both fountain pens. Their structure and the technique of making them are the same, but a great differential in quality exists. This is because the raw materials used are different and quantities of transferred materialized labor are different. This results in the formation of the difference in value between them.

There is also another set of conditions--the raw materials of the products are the same, but the production artcraft is different. The goods manufactured from a more complex artcraft are higher in precision and better in quality. Because the use of a more complex kind of artcraft demands a larger input of labor time from society, the products possess a higher value. If new and advanced artcraft and technique are employed, then the products will be even higher in precision and better in their functions and the labor time spent on these products will determine the necessary labor time from society. Under such conditions, the old artcraft and old products will very soon be eliminated. Under today's rapid development of new technology this state of affairs is frequently found.

Under still another set of conditions, it may be found that while the same kind of raw materials is used, there is more labor employed in the intensive and meticulous manufacturing process and it is more skilled in character and, as a result, products of high quality and of great precision are produced. Since these products contain a greater amount of society's essential labor in comparison with products of the same category, they command a greater value.

Then there is one more set of conditions. This is because certain enterprises enforce stringent overall quality control, turning out products of high quality. In comparison with products of ordinary quality, these high-quality products, because they have incurred the extra cost of quality control, possess a high value.

We may now ask: Does it follow that the more precious the raw materials used, the more meticulous and intensive the processing work, and the more complex the artcraft, the better will be the results? The answer is no. Marx once said: "If the capitalists have funny ideas and make use of golden spindles to take the place of iron spindles, then in finding the value of the cotton yarn only society's necessary labor is taken into account, that is to say, the necessary labor time required for making the iron spindles." ("Collected Works of Marx and Engels," Vol 23, p 213) In

other words, in finding the value of a commodity, only society's necessary labor will be counted and society will not recognize any excess portion. Under socialist conditions, value is also determined in this way.

The factors affecting the quality of agricultural products are more complex, but the determinant is still the amount of input of society's necessary labor time. Generally speaking, good-quality agricultural products have a larger concentration of society's necessary labor and possess a greater value. For example, the use of a better kind of fertilizer will turn out better-quality products; in planting, the use of seeds of superior quality may mean a low yield, and a long growth time of the plants and, as a result, the necessary amount of input of labor concentrated in the products will be large and the cost value will be higher than usual. Nevertheless, there are many agricultural products which may in the same production process produce products of different qualities. For example, in the case of tobacco leaves, apart from the factors responsible for bringing about quality differential such as use of different kinds of fertilizers and planting of different varieties of plants, it is found that the leaves on different parts of the same plant differ in quality from each other. Thus, leaves on the middle part of the plant are usually good quality, while those on the lower part of the plant are usually poor quality. But here the value of tobacco leaves should be found by taking all the leaves into account and not by separately computing the necessary labor input on the leaves on different parts of the plant. In other words, the gross amount of the necessary social labor input on the various grades of tobacco leaves picked at the same time from different parts of tobacco plants in the production process determines their gross value and the sum total of the value of the various grades of leaves from different parts of the tobacco plants determine their gross price.

If, due to causes of natural conditions, certain agricultural products of certain localities are of better quality than those produced in other localities, these products should definitely command a high price, so that producers with good natural conditions may obtain income from the grade-differential. This puts the character of land rent on a grade-differential basis. It is similar to the case where, because of superior natural conditions, the yield is high but the individual value of the products is lower than the excess profit formed by social value.

The above refers to the relations between the quality of commodities and the necessary social labor input, that is, relations between equal values. As we all know, because of the influence of the factors of supply and demand and policies, the price of a commodity may vary from its value, but value is still the basis of price and is the center of price movements. This also applies to the law of the price movements of commodities of different qualities. The ratio between the prices of commodities of different qualities is not necessarily the same as the ratio between the values of commodities of different qualities, but, the values of commodities of different qualities still are the centers around which they revolve. The prices of commodities of different qualities can only move up and down around these centers.

### III

Enforcing the practice of basing prices on quality and bringing the role of prices as levers into full play constitute an important task in the work of planned control and control of commodity prices. We should give superior prices to products of superior qualities in order that they may be compensated for their surplus input of materialized labor and live labor and also obtain higher profits. Low prices should be accorded to products of low quality so that their profits may be lower. Reduced prices should be put on products of poor quality so that they cannot obtain any profits but may even incur losses as a punitive measure. Only in enforcing a price policy of this kind is it possible to encourage and supervise the enterprises to carry out rigid and overall quality control, strengthen their supervision and examination of each and every production stage, and strive to improve the quality of products.

As for commodities of different grades, the prices should be based on quality, so as to enable enterprises producing various grades of commodities to obtain corresponding profits, benefit the production of various grades of commodities, satisfy the demands of different levels of consumption, and realize the balancing of production and consumption. Commodities in general may be divided into high, medium and low grades. For example, take the case of 5-pound thermos bottles. There is the high-grade thermos which can turn out water at a touch, there is the traditional rank-and-file thermos with a tin-plate cover and there is a low-grade thermos covered with either bamboo or low-grade cast-away tin plate. Or, take the case of china bowls. There are the exquisite high-grade china bowls, the ordinary fine china bowls, and the low-grade crude bowls, and so forth. High-grade, medium-grade and low-grade commodities are all needed by society and must all be produced and supplied.

Concerning new products, we should enforce a price policy of encouragement, in order to facilitate their replacing old products and to promote the adoption of new technology. Many products have their own "life expectancy." Their "life expectancy" extends from planning and trial production, to production on a small scale, production on a large scale and finally replacement by renovated or new products.

At the stage of small-scale production of new products, the production cost is generally higher than that of the old products. Hence, the price must be higher, but not too high, otherwise their marketability will be limited. Generally speaking, the price differential between new and old products should be smaller than the disparity between their economic results, so as to ensure that use of the new products is economically more worthwhile than use of the old products. If this limit is exceeded, then the new products cannot be marketable. If the production expenses of new products are too high and the prices cannot be brought down, then it means that the new products cannot pass the "economic barrier." We should then find a more rational artcraft, improve the management, lower the production cost, pass the "economic barrier," and make the disparity between the production costs of the new and old products become smaller than the disparity between their

economic results, and thus ensure that the prices of the new products will not surpass the top limit. As for the portion of the new products' economic results being in excess of those of the old products, it should be rationally distributed between the enterprises responsible for their production and the end-users. The production enterprises should receive a part so as to encourage them to study and produce more new products. At the same time, the end-users should also get some of the benefits so that they will realize that it will be more advantageous to use new products than the old products. This will help the marketing of the new products. Actually, certain new products, in order to make them marketable, may also in the early stage of production, be priced according to the cost in large-volume production. Relatively lower prices will help to speedily open up the road to marketability. If the production scale is rapidly expanded, the production cost can be speedily lowered and profits will be realized.

After a new product has entered into the stage of large-scale production, its price should be lowered to the normal level. The large-scale production of new enterprises envisages the existence of an even larger market and a larger number of users and under the usual conditions only by lowering the price level can conditions be created for increasing the marketability. At the same time, following a large-scale production, the production cost will be lowered on a large scale and this also creates the material conditions for lowering the price level. Following the large-scale production of new products, they will take over the place of the old products and become products regularly used by the people. The "life expectancy" of the old products will then come to a close. By this time, even newer products will emerge in society and these newer products, after passing through the stage of small-scale production, will soon replace the originally new products which will then enter into the withering-away stage, become antiquated products. Their prices will have to be lowered (or additional taxes will have to be levied) in order that the production units will find it unprofitable to produce them any more and will thus be compelled to terminate their production, turning to the production of the newer products. This will promote the continuous advance of technology.

#### IV

In enforcing the policy of basing prices on quality, it is necessary to reform the system of price control. The original price control system of our country has the defect of the control being too much and too light. The prices of many products, once determined, can hardly be changed and there exist the phenomena of "life-long prices" and of "aging prices." Under such a system of control, it is not possible to carry out the policy of basing prices on quality. Even though the price fixed was then in conformity with the demand of the policy of basing prices on quality, yet, with the passing of time and changes in the value of the commodities, it is inevitable that price and value will be dislocated and that the phenomenon of not conforming with the demand of basing prices on quality will appear. Therefore, it is necessary to reform the price control system of our country and to carry out diversified forms of price control measures such as enforcing a national unified price, floating prices within a designated range, fixed prices



through consultations between industry and commerce, negotiated prices, and so forth. The enterprises must have certain power in fixing prices and we must achieve the objective of having the control of commodity prices not only being under a centralized and united leadership but also possessing a definite degree of flexibility, so that under the conditions of controlling the prices in a general way, the prices of various kinds of commodities can still flexibly follow the changes in objective conditions and make the necessary adjustments, thus enabling the implementation of the policy of basing prices on quality.

In firmly insisting on the policy of basing prices on quality, we must refute the policy of closing the doors or blockading. If we were to adopt this method of blockading to protect backward enterprises, the enterprises would lack the motivation to improve the quality of their products and lower the production cost of the products.

In enforcing the policy of basing prices on quality, it is necessary to regularly check and supervise the quality and prices of the commodities, thus protecting the interests of the consumers. The economic interests of the socialist enterprises and of the individual staff member and worker must be subservient to the economic interests of society. Only by developing production, improving the labor productivity rate, and lowering the production cost should we increase the economic interests of the enterprises and of the individual staff member and worker. It is not permissible to resort to falsehood in regard to quality. The practice of submitting good samples but ultimately sending substandard goods is the capitalist way of operations in profit-seeking. It is a deceitful practice which runs contrary to the nature of socialist enterprises. Unfortunately, at present, we still have instances of submitting good samples of goods but ultimately sending along substandard goods instead and even of acts of passing off fake goods in lieu of genuine goods or of imitating goods of well-known brands. As for the phenomena of quality not being up to standard and of manufacturing in a rough and slipshod way and quality and price not being consistent with each other, they are generally prevalent. Hence it is absolutely necessary to regularly conduct inspection and supervision of the quality and price of commodities, impose the necessary economic sanctions on the offenders in accordance with the relevant economic regulations, and investigate and affix the criminal responsibility for criminal offenses, thus legally protecting the implementation of the policy of basing prices on quality.

CSO: 4004/25

## THE DANGER OF BLINDLY COMPARING WORKERS' INCOME

Beijing RED FLAG in Chinese No 8, 16 Apr 85 p 36

[Article by Jing Ping [2529 1627]]

[Text] In recent years, with the in-depth development of the economic reforms, the wage system in enterprises owned by the whole people has broken through the traditional pattern and has begun to remove the two "big pots." In the enterprises which have made greater contributions to the state and have markedly improved management and business operation, workers have seen their income increase along with the improvement of their enterprises' business results. This has aroused the workers' enthusiasm for work. However, in a previous period, some units indulged in making unrealistic comparisons of workers' income in various enterprises without regard to the state of production and contributions of the enterprises. When seeing another unit increase wages for its workers, a unit would follow suit and immediately increase wages to the same extent. As a result, many units simply vied with each other in giving lavish bonuses, subsidies, and payment in kind to their workers. This trend went against the purpose of the economic reforms and showed a new form of "eating from the same big pot." In a word, it is harmful and dangerous.

First, making such comparisons does not comply with the socialist principle of distribution according to work. One of the purposes of the economic reforms is to overcome the defects of the old system, seek a better way to implement the socialist principle of distribution according to work, get rid of egalitarianism in income distribution, and arouse workers' enthusiasm for production. For this purpose, the state has adopted various measures, such as making contracts with enterprises, allowing them to retain a given proportion of earnings, and substituting tax payment for profit delivery, to settle the problem of enterprises "eating from the same big pot" and to link workers' income with their enterprises' business results. These measures ensure that workers will earn more when they contribute more, and reasonably widen the difference in workers' income from one enterprise to another. However, some enterprises do not base the income of their workers on their business results and do not raise workers' pay on the basis of increasing output and profits; instead, they take the pay level in other units as the foundation for fixing their own pay level. As a result, a new form of inequity has emerged among enterprises whose contributions differ in size. Enterprises

which do business successfully and have made greater contributions cannot increase the income of their workers to a substantial degree, while enterprises which have not properly conducted business operations do not see the income of their staff and workers decrease correspondingly. A disorderly situation will thus appear in the field of distribution, and the socialist principle of distribution will be violated.

Second, the comparison of workers' income in different enterprises will lead to some violations of the financial management system. The financial management regulations formulated by the state strictly stipulate the use of various funds at the disposal of enterprises and institutions. For example, the after-tax profits of an enterprise should be divided into production development funds, reserve funds, collective welfare funds, and bonus funds. If an enterprise tries to raise its workers' income to the same level as in other enterprises, it always shifts funds of other use into the consumption fund, or may even try to evade taxes in order to give more bonuses in cash and in kind to its workers. To achieve this purpose, some enterprises have even gone so far as to do such irregular things as exaggerating operation costs and raising prices recklessly at the expense of the interests of the state and the consumers. The general financial inspections in various localities have shown that units which have vied with each other in issuing lavish bonuses have all violated the financial management regulations to a varied degree.

Third, comparing workers' income will damage the reproduction conditions in the enterprises. If enterprises vie with each other in raising pay to workers, the income of the workers will not be based on the enterprises' business results and contributions, and the enterprises will not be able to achieve normal financial resources to ensure the pay increases. As a result, money used to meet the payroll will certainly come from some illicit channels. Some enterprises have squeezed money from their production funds or working funds to give lavish bonuses to their workers. This will damage the production conditions in these enterprises, which will have to rely on loans in order to maintain continuing production.

Fourth, comparing workers' incomes will lead to a vicious swelling of the consumption funds and a rise in prices. When vying with each other in raising pay to workers, some enterprises have raised the income of their workers to a degree greater than the growth rate of productivity and economic efficiency. In the overall economic situation, this may lead to an excessive swelling of the consumption fund, because the total payroll increases at a rate that is beyond the limits of the normal growth in workers' income. This situation will lead to an inappropriate increase in money supply, and will make social demand far greater than the supply of goods in society. The level of prices will thus be pushed up and up, and people who do not enjoy wage increases or do not see their incomes increase enough will suffer losses.

All this shows that comparing workers' income in an unrealistic way and vying with each other in raising pay to workers is a trend which is very harmful to the economic reforms and economic development. We must resolutely overcome this trend.

## ESTABLISH A CAPITAL CONSTRUCTION MANAGEMENT SYSTEM WHICH IS FULL OF VITALITY

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 37-39

[Article by Wang Deying [3769 1795 3841] in "Work Research" column--passages within slantlines published in boldface]

[Text] During the past 35 years since the founding of the PRC, China's capital construction has scored great achievements. However, as an important means of expanded socialist reproduction, full play has not yet been given to the role of capital construction. As a result, investment has been great, output has been low, waste has been serious, and economic effectiveness has also been low. This has always been a major problem. Apart from the interference of "leftist" ideological guidance, another major cause of this has been the incompatibility of the management system with the objective law of capital construction.

What should be done to establish a dynamic capital construction management system which conforms with the characteristics of capital construction and which meets the requirements of the four modernizations in accordance with the spirit of the "Decision of the CPC Central Committee on Reform of the Economic Structure"? I wish to present my personal views on the following major issues.

/First, break away from the old system of unified management and state monopoly, and establish a management system which combines unity with flexibility./

The existing capital construction management system in China has been basically modelled on the Soviet system of the 1950's. During the "First 5-Year Plan" period, China's economic foundation was very weak and it lacked the experience of large-scale economic construction. Under these conditions, it was essential that the state exercise a high degree of concentrated and unified management over capital construction. However, problems have emerged from the fact that such a management system has not undergone corresponding reforms to catch up with the constant development of economic construction and the constant changes of the economic conditions. These problems have been particularly serious where comrades stuck to the old concept of "rigid control." To them, the more concentrated the power, the better; and the more rigid the control, the better. As time has passed, they have taken responsibility for many trivial matters which really should not have been theirs and they have

not done what they were supposed to do well. Projects of various scales and investments of different amounts for carrying out capital construction have to be approved by various levels of higher authorities and administrative departments. Even the issues of which unit should design a specified construction project and from which factory the equipment and materials should be purchased are decided by the state and the enterprises have not been allowed to step beyond their power. Such a management system of rigid control and state monopoly has inevitably led to subjectivism, bureaucracy, and formalism in management and severely hampered the development of productivity.

The break with the old system of rigid control and state monopoly and the establishment of a new system combining unity and flexibility can be studied at two levels: the decisionmaking process and the implementation process of capital construction. The nucleus of the first level is the reform of the planned management system with the general principle of reducing, to an appropriate extent, the scope of mandatory planning and gradually enlarging the scope of guidance planning and the operation of the market. The major issues that should be properly and rigidly controlled by the state through its overall planning include: the overall scale of investment within a specified period of time, the proportion of major investments, the distribution of production forces, the major policies on technology and the structure of technology, and the key construction projects which have a bearing on the overall situation of the national economy. Control over the decisions on ordinary construction projects, the adjustment of the annual scale of investment and the ways of raising privately raised funds and the uses of these funds should be relaxed, and evaluation procedure for such applications should be simplified. The State Planning Commission has recently issued, as the first step toward reform, notices and regulations governing the improvement of the planning system and simplified procedures in scrutinizing and approving capital construction projects. The next step should be the study of how to delegate more authority to the lower levels, particularly the genuine delegation of power to enterprises to make decisions on projects and annual planning. The previous focus of capital construction on the establishment of new enterprises has been drastically shifted to technological innovation, reconstruction, and expansion of old enterprises. To keep in line with this change, the enterprises' investment power should be correspondingly expanded so that the enterprises can be equipped to meet the complex and constantly changing needs of the society and the needs of self-reform and self-development. The enterprises should be subordinate to the state's long-term planning, the planning of their respective trades, the planning of their respective areas, and policies on technology, but they may make their own decisions on the projects and plans for the construction. The reconstruction and expansion of old enterprises should be undertaken by the concerned old enterprises whereas proposals on new projects should be put forward by the units which raised funds for the projects. The proposals should then be confirmed by qualified domestic or international consulting firms, and then submitted to different levels of planning committees for comprehensive balancing and for adding to the plans. Is it possible that the Planning Commission will no longer have to scrutinize and approve project proposals and design work proposals?

As for the management of the construction implementation stage, the state must of course exercise control over the technological economic policy, standards, norms and targets of the design and building works; over the quality of the works; over inspection of economic benefits; over the strategic deployment of key construction items; and over the legislative, coordinating, and adjudicating aspects of basic construction. While this is done, all other aspects of the management of construction implementation should be relaxed and invigorated.

/Second, consciously apply the law of value and economic levers and change the method of management based mainly on administrative means./

Over a long period of time, we have, in our economic life, neglected and even denied the objective fact and the necessity of adequately developing commodity production and commodity exchange under the socialist system; and have neglected and even denied the function of the law of value and accordingly the function of economic levers. We have set planned economy against commodity economy, and have been used to promoting economic operation solely through administrative fiat. Such problems are particularly obvious in the management of capital construction. In the past, we decided to carry out projects, made plans, allocated investment, supplied materials, deployed manpower, and managed enterprises by means of administrative fiat. We also reduced the scale of enterprises and adjusted investment directions through coercive administrative fiat. The relationship between the horizontal and vertical links of capital construction, between the state and the enterprises is that between administrative leaders and subordinates, between control and submission, and between orders and execution. We were not apt at employing economic methods to manage capital construction, and thus some of our comrades were enthusiastic only in struggling for investment and struggling for projects. They had little concept of value, of market supply and demand, of capital circulation and of economic effectiveness.

Some comrades think that commodity production, the law of value and the operation of the market can only be applied to the production and exchange of industrial and agricultural products. In their opinion, capital construction, an investment activity of fixed capital, has its own characteristics. They are afraid that application of the law of value of economic means to regulate the market will lead to inflated scales, thinning out of financial and material resources, and increased prices. In fact, the law of value not only plays its role in production and circulation, but also in the economic activities of the various links in the macro and micro aspects of the economic activities of capital construction. The law of value plays a role in many aspects. In which trade and in which area should the funds of capital construction be invested in a certain period of time so as to achieve maximum economic benefits? Should a certain project be carried out? What should the scale of the construction be? Will the products be marketable? Should loans be provided for a certain project? How high should the interest rate be? Will the enterprise concerned be able to repay the loan? The law of value plays a role in all these aspects. The regulatory role played by the law of value is even more direct and obvious in the design and

contracting of capital construction, in the screening of plans, in the tendering and purchase of facilities and materials.

Capital construction involves many links and a broad scope. The international and external economic links are intricate and complex and thus management by administrative fiat is far from adequate or effective. Thus, we must combine administrative, economic, and legal means, and in particular, consciously apply the economic levers of pricing, taxation, loans, and interest in the management of capital construction. In this respect, we have made some initial attempts. For example, we have turned all capital construction appropriations into bank loans and set different terms of repayment and different interest rates for projects undertaken in different trades. We have raised energy and communication construction funds; collected taxes on privately raised building investments; and imposed additional taxes on floating investments beyond the stipulated amount of the state. As for investing in and contracting for construction projects, profits are now shared in proportion, savings are kept by the contractors, and cost overruns are not reimbursed. Design units now charge in terms of contracted tasks instead of in terms of per-capita appropriations. Construction units now charge wages in terms of contribution per hundred yuan of production output. We have also opened the building materials market, and have allowed price flotation for materials in short supply, so that the enterprises concerned can both purchase and sell at high prices. The most eye-catching development has been the pilot implementation of the introduction of commodities in building production in the past few years. This has been a successful attempt at giving play to and making use of the law of value in capital construction.

/Third, open the building industry market, do away with closed markets and monopoly, and encourage tendering and competition./

In our construction over the past years, we have been used to higher authorities dictating the selection of design and building units and material supply units. Targets issued above are relayed downwards, level by level, and tasks are assigned. Such "arranged marriages" have many drawbacks. First, the construction units cannot choose the best contracting units and it is thus difficult for them to secure their initiative in the construction programs. Second, the design and building units can rest assured that the higher authorities will assign them tasks, and as "a princess never has any difficulty in finding a husband," these units, lacking both pressure from outside and motivation from inside, do not have the enthusiasm to make self-initiated advances, to improve operation and management, and to develop new technology. Third, the building industry market is cut up into separate chunks as a result of monopoly, and, like a pool of stagnant water, the construction teams are often of very low quality and the labor efficiency of different units varies over a wide range. Fourth, the enterprises and units spend a very large part of their energy on payment settlement procedures and different kinds of time-consuming but useless activities. An effective way to solve these problems would be to allow the contract-offering unit, under the supervision of the centralized planning of the state, to select the best design and building units and the best material supply units by means of inviting tenders. Competition should be encouraged and monopoly should

be stopped. This would be completely in accordance with the characteristics of capital construction economic activities as well as objective needs. This would bring vitality to the operation of the enterprises, bring new life to the building industry market, and bring good economic benefits to our capital construction.

Some comrades think that a planned economy is practiced in our country and tender invitations are a phenomenon of capitalist free competition. In fact, competition is not the special privilege of capitalism, and wherever there is commodity production there will be competition. A natural consequence of this is that socialist enterprises will also have to stand the test and assessment of the vast numbers of consumers. Good-quality commodities will win the market while bad-quality commodities will lose out. This is particularly true nowadays as we are advocating conscious application of the law of value, energetically developing commodity production, and increasingly relaxing the building industry market on a daily basis. All building units, design units and material supply units of different areas, of different departments, and under different systems of ownership have to face a harsh test whereby the better ones will win and the weaker ones will lose. They have to restudy their development strategy, overcome their shortcomings, and give full play to their strong points, advancing together. Only by doing this can they win out over competition; otherwise they will become inadequate, and will be unable to obtain building project contracts or suffer losses in carrying out the projects. Of course, there is a difference between competition under the socialist system and competition under the capitalist system with respect to purpose, nature, scope, and means. We encourage competition by means of tendering only as a result of drawing on the experience of foreign countries which have found this system an effective method of operation and management. We adopt this method, but our socialist economic system will not be changed. While promoting competition, we should also make corresponding advances in the management of the quality, pricing, and contracting of construction projects. As for negative phenomena and illegal activities that may emerge as a result of competition, we can take care of them by strengthening leadership and economic legislation.

A key issue in the promotion of competition by tender is breaking away from monopoly and closed markets and obtaining an "administrative umbrella of protection." Many years of lack of coordination between different departments and between different enterprises has produced various forms of subordinating relations. Certain areas and departments have given unwarranted privileges to their subordinate construction teams, and such practices have enabled some enterprises, particularly state-run design and building units, to live comfortably by "eating from the same big pot" under the protective umbrella of the higher authorities. Judging from the experience of Shenzhen and other places, the strength, reputation and quality of enterprises can only be obtained by means of hard work and struggle, never by means of protection. The bigger the scope of competition, the larger the number of competitors, the more readily will the weaknesses of the enterprises be exposed. This will improve the quality of the enterprises by means of competition and make possible the attainment of greater economic benefits. Of course, risk is inevitable in competition through tender, and a small



number of poorly managed enterprises may suffer losses or even have to close down. This is only to be expected. Some enterprises lose out in the competition, but they will learn from their loss and grow strong again like a phoenix emerging from the purifying fire.

Another great problem of the promotion of the tender system is the inadequacy of material supplies. Very often, the contract-offering units cannot guarantee the supply of materials, and as a result, the contractors are unable to take up the offer of contract. It should be understood that the problem of material supply inadequacy is objectively inevitable when implementing large-scale economic construction. In order to solve this contradiction, we must work hard to increase production on the one hand, and on the other introduce reforms in the material management system. We must do away with closed supplies and monopoly; we must encourage competition through tender, and establish an open-style material management system characterized by multiple channels and a minimal number of links; we must invigorate the building materials market and the equipment supply market. The experience of Guangdong and Shenzhen vividly demonstrates the more rigid the control of material supplies, the smaller will be the volume of supplies, and on the contrary, the relaxation of control will be followed by more supplies. We must lead and guide in accordance with the actual situation, and must not rely solely on control. If we want to establish an open-style material market, we must encourage all material supply departments, production enterprises, and distribution companies to take part in competition, so that the current seller's market will be transformed into a buyer's market.

CSO: 4004/25

## ON TWO-CIVILIZATION HOUSEHOLDS

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 40-43

[Article by Wei Shi [7279 1395]]

[Text] Over the last few years in the process of implementing the responsibility systems which link remuneration to output, which are mainly based on family units, the number of two-civilization households--those which have achieved notable results in building both material civilization and spiritual civilization--has gradually increased. The appearance and development of these two-civilization households, which are diverse, varied and at different levels, clearly show the great changes in and wide prospects for socialist China's new rural areas. Their vitality is boundless.

Following the diversification of operations and the division of work and industry in the rural areas, and the further changes in the direction of the commodity economy, specialized households and households doing specialized jobs have emerged as required by the times. Their position in rural economic life and social life has already been clearly shown by actual results. This has been recognized by an increasing number of people. Many rural investigations have shown that, after the proportion of specialized households, households doing specialized jobs, and households engaged in combinations increased, the commodity rate for agricultural and sideline products also gradually grew. The commodity rate for products of specialized households became many times greater than that of ordinary households. According to statistics, at the end of 1983, the number of counties throughout the country where per-capita pure income had reached or exceeded 300 yuan had grown to nearly 700. Those counties where per-capita pure income exceeded 500 yuan numbered over 60. A common experience of these counties in developing the rural economy was that they positively assisted and gave a free hand to specialized households and households doing specialized jobs. The situation in the rural areas where "the village looked to the village, the household looked to the household, and the commune members looked to the cadres" has changed to where "the village looks to the village, the household looks to the household, and the masses look to the specialized households." It is precisely because specialized households and households doing specialized jobs have taken the lead and shown the way, that in many areas around the country there have appeared specialized villages, specialized townships, and specialized towns.

This increase in the material level and level of prosperity of the peasants, typified by the development of specialized households, has also manifested and promoted an increased level of spiritual civilization. These both are products of the implementation of the party's line, principles, and policies. Spiritual civilization is one of the most important factors contributing to the formation and strengthening of specialized households. Regardless of whether we are speaking about the ideology and the morality of spiritual civilization, or about culture and scientific and technical knowledge, all these aspects are closely related with the building of spiritual civilization. Included in the total number of specialized households, there are various sorts of cultured specialized households. Apart from these, there are also specialized household-run schools, kindergartens, homes for the aged, bookshops, cultural halls, film-projection teams, hospitals, sports competitions, and so on. Some members of specialized households pay their own way through university and some employ cultured, educated people as consultants to give them advice. The vast majority of people in specialized households respect the law and policies, have a certain level of ideological consciousness and morality, have a certain level of technical and cultural knowledge and are capable of operations management. An investigation of 20,989 specialized households in Yinxian County, Shanxi Province, showed that 99 percent of the specialized households were those of former cadres of production teams and brigades and other commune members who had been cadres, young intellectuals who had returned to their villages, demobilized specialized soldiers, skilled craftsmen, or able managerial persons. A 1982 investigation of the specialized paddy-rice households in Jixiang brigade, Xinmin commune in Mulan County, Heilongjiang, showed that, of the 10 high-production households whose average per-capita income was 810 yuan, most were peasant technicians who had graduated from junior middle-school or senior middle-school. The 10 medium-level production households whose average per-capita income was 540 yuan, were mainly educated at the higher primary-school level. The 10 low-income households where average per-capita income was 155 yuan were mainly illiterate or semiliterate.

At the national conference on rural work convened at the end of 1983, Comrade Wan Li summarized the basic characteristics of specialized households and households doing specialized jobs. He stressed that we should recognize three aspects: that these households are models of achieving prosperity through diligence; they are seekers, demonstrators, and propagators of science and technology; and that they are advanced elements of socialist construction in the rural areas. All of these aspects include a component of socialist spiritual civilization. Seen from the process of actual work, the increasing number of specialized households which are also five-good households is forming an objective trend. The Shangluo prefectural party committee in Shaanxi several years ago clearly sought to organically link the activities of developing specialized households with those of developing five-good households. At the end of 1984, 28.9 percent of Shangluo Prefecture's specialized households were two-civilization households. Those households which had become specialized households numbered 2,550 while those households which had become five-good households numbered 2,584. The number of households which qualified as both totaled 577. In guiding

specialized households to become spiritual civilization households, they established the "five forbiddens" (it is forbidden to engage in speculation and profiteering, forbidden to practice fraud, forbidden to harm natural resources, forbidden to avoid taxes, and forbidden to harm public property or others for private gain) and "five concurrent goods" (good in spiritual civilization and material civilization concurrently, good to stress diversified operations and grain production concurrently, good to stress material production and planned parenthood concurrently, good to stress laboring to become prosperous and implementing policies concurrently, good to stress making oneself prosperous and assisting the poor and needy concurrently). Their experience in this is well worth our attention. Hongxing township in Yushu County, Jilin Province, long ago put forward the call that specialized households become civilized households and civilized households become specialized households. In the rural areas of Zuoyun County, Shanxi Province, half of the rural households have been cited as five-good households. Many people are both labor models and five-good commune members. At the end of 1984 in the selection of two-civilization households and the presentation of citations and awards, in the rural areas of Changyi County in Shandong, 14,300 households from the county were cited as two-civilization households. This was 9.6 percent of the total number of rural households. The vast masses generally believe that such households have set an example for the many millions of other rural households. They are the new models for rural households.

Of course, as a new phenomenon, the development of two-civilization households in different areas at present is not balanced. Natural conditions, production conditions, and economic levels differ between areas and there are many other local differences. In such conditions, some rural households, while not neglecting the development of either aspect, put too much emphasis on the development of one aspect. At present, and in the future, such actions are inevitable. However, seen from the overall situation and the trends, if we remain at this stage, it will be difficult to accord with the historical process of change toward a large-scale commodity economy and toward modern large-scale agriculture. Thus, we can only proceed from the actual situation in each area and organically unify the building of material civilization with the building of spiritual civilization in our actual work. We must unwaveringly implement the party Central Committee's policies on grasping the two civilizations together, and carry out the building of the two civilizations in all families and households. Only in this way will we be able to more conscientiously, more quickly and more healthily promote the development of socialist rural areas. In this respect, conscientious guidance is of great significance. We must not only strongly develop specialized households, households doing specialized jobs, diversified forms, and economic cooperation on different levels, but must effectively assist the specialized households and households doing specialized jobs to become spiritual civilization households. We must not only strongly develop spiritual civilization households, but must effectively assist spiritual civilization households to become specialized households, households doing specialized jobs, and members of combinations. It is not sufficient just to have targets for material production and family income. At the same time, the households should increase socialist consciousness, foster a healthy

style of morality, raise their cultural knowledge, and raise their technical and operations management level. (Of course, just having the latter is also insufficient. It should be continuously advanced together with the developing production and increasing income.) Our party advocates achieving prosperity through diligence, and thereby enriching the state and the people. This includes as an innate part, socialist spiritual civilization. Becoming prosperous through other than diligence, and not caring about or even harming, the interests of the state and the collective in becoming prosperous overnight is not glorious and will not endure. In the same way, being divorced from the development of production and the enrichment of material life, being divorced from the immediate interests of the masses, and just advocating advanced ideology and morality will not be able to achieve results. The building of socialist spiritual civilization which we advocate has the same conditions and the same aims as the building of material civilization. It must use material civilization as a cornerstone, provide the building of material civilization with great impetus, and guarantee its development direction. These are the ideological principles we must abide by in carrying out conscientious guidance.

In order to cause more specialized households to become spiritual civilization households, in order to cause more spiritual civilization households to become specialized households and households doing specialized jobs, and in order to bring about the appearance of more two-civilization households and to gradually raise them to a higher level, the party and government organs and the mass organizations at various levels in the rural areas can and should bring into play their positive role. Here is an extremely wide field on which they can proceed from reality in implementing the party's principles and policies, and to creatively carry out economic, cultural, educational, and scientific and technological work. In Hengshui City in Hebei County, 100 party and government cadres have established 100 contact-point specialized households and carry out assistance to specialized households in three respects: in correctly understanding the policies of the party, in daring to become prosperous, and in becoming prosperous within the limits allowed by policies and the law; in resolving difficulties in production operations and providing services in terms of funds, means of production, personnel, scientific and technical knowledge, and technical and commercial information; and in bringing into play the role of specialized households as examples, and in spurring on other households. Through carrying out this work, the number of specialized households in the first 10 months of 1984 grew 81.2 percent over the figure at the end of 1983. The 100 contact-point specialized households also developed their production operations and all were cited as spiritual civilization households. In Changting County, Fujian Province, a specialized family which was experienced in planting, with the help of the secretary of the county party committee, planted xiao mi peppers themselves and took on the task of being consultant for over 30 peasant households. Within a year all of the villages had become specialized households in growing xiao mi peppers. The masses thus call the county party secretary "secretary good friend." The work of helping the poor in many places uses the phrase "helping the poor requires help at the base, help at the base requires help with the will." This refers to inspiring the spirit of self-help among the poor and

those in difficulties, helping them overcome the idea of "waiting, asking, and relying," and to establish confidence in prosperity through diligence. This provides very important experience. Many areas are organizing party, government, CYL, youth, and women's organizations as well as economic units, scientific and technological units, and cultural and educational units to promote in various ways the development of both specialized households or households which do specialized jobs and spiritual civilization households, and their mutual transformation. They are promoting the joint raising of material civilization and spiritual civilization. We are thus accumulating increasingly rich experiences.

An important point here is the bringing into play of the role of the rural party organizations and party members. The rural party organization must lead the party members and the broad masses, and by working hard to achieve the tasks of the party in the present period, progress can be made toward the party's final goals. Party members have in the past and will continue to have a very good influence in implementing the policy of achieving prosperity through diligence. For party members, becoming prosperous oneself is not the only or the highest goal. The present social policies cannot be equated with a communist outlook on life or world view. Communist Party members must not only engage in making themselves prosperous, but should promote and guide others in becoming prosperous first. At the same time, they must encourage and lead those who have become prosperous first to assist those who have not yet become prosperous to achieve common prosperity. Our aim in adopting these social policies is to build socialism so as to gradually make the entire society prosperous and finally achieve the transition to communism. Communist Party members should strive to establish a communist world view and march in the forefront both in terms of material civilization and spiritual civilization. They should take the lead in becoming two-civilization households and take the lead in assisting the masses to become two-civilization households. Sheng Kuisheng, a Communist Party member from Yangqiao village, Zhitang township in Changre City, Jiangsu Province trial-produced "Kuisheng melon seeds" and then turned the technology over to a factory in the village so that it could produce them. This enabled the average per-capita income of the village to rise from 480 yuan in 1983 to 800 yuan in 1984. A Communist Party member such as this is naturally loved and esteemed by the masses. In themselves, the vast number of peasants are becoming increasingly clear about the direction in which they must make efforts in realizing material civilization and spiritual civilization. Many specialized households and households doing specialized jobs are, through practice, becoming daily more aware of the party's advanced nature, and are recognizing that the party really does represent the interests of the people. Thus they are applying to join the party one after the other. This is a heartening step in their advance toward spiritual civilization.

Developing two-civilization households is earnest and down-to-earth work which accords with the demands of the masses. In this work, it is necessary to proceed from reality, to be good at firmly implementing the party's and state's present social policies, and to organically unite ideological education in collectivism, patriotism, socialism and communism. One of the

basic reasons the rural policies and the activities of citing five-good households, and building spiritual civilization villages will endure and be continually enriched and improved, and why they have been widely welcomed by the masses is that, through vivid facts and personal experience, the masses have come to recognize that household members working together with one heart, good-neighborliness and mutual assistance, and correctly handling the relationship between the individual, the collective, and the state is the correct road to prosperity. Overstepping the restrictions of material conditions, acting without conscious understanding and without voluntary participation, forcing showdowns, whipping up the "egalitarian wind" and the "communist wind" again, or practicing fraud and overstating production development or the degree of material prosperity will have exactly the opposite effect. In assisting the specialized households and the households doing specialized jobs to become spiritual civilization households, we should cause their production and level of prosperity to further increase. In assisting the spiritual civilization households to become specialized households and households doing specialized jobs we should cause their socialist consciousness, their level of morality, and their scientific and cultural levels to reach new heights. The two-civilization households have their common and basic traits. However, in different areas, in different industries, and in different rural households, there are different forms and different degrees of development. We cannot treat them all the same.

The birth and development of two-civilization households have quite some significance in building socialism with Chinese characteristics. The basic task of socialism is to develop the forces of social production. Recently Comrade Deng Xiaoping pointed out: "We have advocated that some areas become prosperous first so that these areas which do become prosperous first can better assist the backward areas to develop. This is not to produce polarization. Advocating that some of the people become prosperous first is based on the same reasoning. These people who become prosperous first will help those who are not prosperous to achieve common prosperity." Common prosperity is a basic socialist principle which we must adhere to and is the basic aim of developing the forces of social production. China's rural population constitutes the vast majority of the total population. Since the institution of the responsibility systems linking remuneration to output, the position of peasant households has become increasingly important in production and social life, providing the innative inevitability and a solid objective foundation for the birth and development of two-civilization households. The building of material civilization and the building of socialist spiritual civilization in the rural areas have already become interwoven, fused together and interdependent at the rural village level. It has become a vividly real and irreversible trend before us. Following the rise in the number of two-civilization households, and their daily improvement, following the change of specialized village, specialized township, and specialized town into civilized village, civilized township, and civilized town, and following the change of civilized village, civilized township, and civilized town into specialized village, specialized township, and specialized town, in future we will see two-civilization villages,

townships, and towns of a higher stage of development. We sincerely believe that in this process today's small saplings can become great trees towering in the skies, and that the increasingly prosperous and increasingly civilized new peasants of socialist China will indeed be able to play a greater role in promoting the development of our nation's forces of social production.

CSO: 4004/25



## A GOOD FORM FOR PROMOTING THEORETICAL WORK

Beijing RED FLAG in Chinese No 8, 16 Apr 85 pp 44-45

[Article by Shi Youxin [2457 0645 2946] in "Ideological Commentary" column]

[Text] In recent years quite a few provinces and cities have sponsored various theoretical symposiums with reform as a main topic. Some of these symposiums were primarily attended by middle-aged and young theoretical workers, with the participation of practical workers as guests. They have played a very good role in invigorating ideas, discovering talented people, and promoting theoretical work.

The epoch of reform has raised endless questions for our theoretical circles and called on theoretical workers to blaze new trails with great efforts. Practice is not only a criterion for testing the correctness of a theory but also the source of theories. Only by closely integrating theory with practice is it possible for theory to fully reflect its role in guiding practice. With the advent of the new technological revolution, the phenomena of permeation, intersection, and merger among various branches of learning will be more frequent. Carried out under such circumstances and in a very broad sphere, our modernization program is therefore a complicated systems engineering project. In order to adapt ourselves to these conditions, our methods of theoretical studies should be changed accordingly. The methods of relying on a single branch of learning to study many problems and of theoretical workers carrying out independent studies are far from enough. We need comprehensive studies by numerous branches of learning and joint studies by numerous people. The advantage of a theoretical symposium is that it enables theoretical workers of different branches of learning who seldom meet with each other in normal times, or people of the same trade who conduct independent studies in normal times, to come together to explore a common problem. This is a form of theoretical study, which can give better service to the modernization program. According to dialectics, the whole is better than the sum of the parts. The results of some theoretical symposiums have also proved this. By airing their views and comparing notes, the participants can promote mutual exchanges, thus provoking thought and igniting the flames of thought. The achievements of such symposiums are often incomparably better than those attained in separate studies by the participants.

The damage wrought by the 10 years of internal turmoil has resulted in a serious gap in the ranks of our theoretical workers. Training middle-aged and young theoretical workers has become a very urgent task but the defects in the existing scientific research structure and the personnel system has obstructed the identification and cultivation of talented people. Holding theoretical symposiums provides us with a good way to identify, cultivate, and train middle-aged and young theoretical workers. The vast numbers of middle-aged and young theoretical workers have a vast reservoir of enthusiasm and many of them are bold in exploring and blazing new trails. They have organized numerous activities, including various types of theoretical symposiums. The central leading comrades and the experts concerned have spoken highly of such symposiums. At various theoretical symposiums, a number of unknown middle-aged and young comrades have come out into the open, displaying their abilities for the first time. Their abilities and achievements can be more easily identified because experts can attend such meetings and meet them face to face.

It should be noted that when taking account of the demands of the modernization program, there are still a lot of deficiencies among many of our theoretical workers. First, they are short of knowledge, particularly modern scientific knowledge and the knowledge of modern economic construction and management. Second, they do not have a sufficient understanding of the practical conditions. Some comrades have seemingly not made up their minds to understand the changes that have taken place and are taking place in practical life and they even look down upon the comrades who go deep into the realities of life. Confining themselves to their studies, some theoretical workers are content with such explanatory "studies" as quoting copiously from various sources. Efforts should be made to change this state of affairs, which hinders our theoretical workers from serving the modernization program. We should encourage creative thinking and promptly seize and study the new problems and conditions that have emerged in practical life. By calling together theoretical and practical workers a theoretical symposium enables these people to be acquainted with one another, to exchange their experiences, to make up each other's deficiencies, and to make progress together. This is a good method of integrating theory with practice and using theory to guide practice. Only when theory is accepted by more people is it possible for theory to be genuinely grasped by the masses and to be transformed from a spiritual force into a tremendous material one.

Comrade Deng Xiaoping pointed out: "Theoretical work should serve the socialist modernization program." This is the orientation of our theoretical work and the bounden duty of every theoretical worker. We should apply the fundamental tenets of Marxism in studying various practical problems in the four modernizations program and the major problems of building socialism with Chinese characteristics. We should not pin our hopes on ready conclusions but should engage in pioneering work. We should strive to explore and create more good forms for promoting theoretical work.

## DEVELOP TRUTH BY FOLLOWING THE LAW OF TRUTH ITSELF

Beijing RED FLAG in Chinese No 8, 16 Apr 85 p 45

[Article by Li Xiulin [2621 4423 2651]]

[Text] When our philosophy researched into truth in the past, it paid much attention to the essence and standards of truth, but failed to research into the law governing the development of truth. The various problems that have cropped up in our practice today have very clearly shown up this shortcoming.

There are many aspects of the law governing the development of truth. One of the most important is that there is an internal and inevitable link between its source, the conditions for its movement, and its form of development. We can understand this link from the following angles:

### 1. The source of truth is practice.

This is itself the most fundamental concept in the Marxist view on truth. However we are apt to depart from it in our practice. For example, should we focus our time and energy on reading books or on practice in order to discover truth? Books teach us the methods, but practice is the only live source.

### 2. The life of truth lies in freedom.

Truth is obtained by the human race in the process of penetrating the essence of the objective world through practice. This process of penetration is restricted by various kinds of objective conditions; therefore, it is impossible for the research into truth to score achievements at one stroke and the research can only be a process of continuously approaching the truth, a process of experiments and contention, and a process of free exploration. Without practice, no one has the power to arbitrarily decide whether this exploration is right or wrong.

### 3. The charm of truth lies in bringing forth new ideas.

The source of theory is practice as is its goal. Truth is concrete and must develop together with practice. Once it lags behind practice, it will be unable to provide light for, or attract people. Therefore, its charm can

only lie in bringing forth new ideas. Bringing forth new ideas is a demand of the development of truth.

4. The law that governs the development of truth.

Practice is the source of truth, free exploration and contention is the condition for the development of truth, and bringing forth new ideas is the demand of the development of truth. There is the following internal relationship between the above three: The more developed our practice, the more comprehensively and the deeper our theoretical research will dig; the better our academic research is freed from fetters, the more new ideas will be brought forth in our theory and the better will we be able to develop truth. If the reverse is the case, truth will be stifled and be at a standstill.

The direct proportional relationship between the change in practice, freedom and the bringing forth of new ideas is the law that governs the development of truth itself.

During our reform, we should prevent our theory from lagging behind the times and enable it to contribute to our reform and actually develop Marxism. In order to achieve this aim, we must develop truth by following the law of truth itself.

CSO: 4004/25

## BE CAUTIOUS WHEN TALKING ABOUT 'LEFT' AND RIGHT

Beijing RED FLAG in Chinese No 8, 16 Apr 85 p 46

[Article by Xie Yun [6200 0061] in "New Chats" column]

[Text] When mistakes occur, these are frequently linked to being "left" or right. I do not know when this trend began, but as everyone knows it reached the peak during the "Great Cultural Revolution." At that time stress was laid on the line at all times, in all matters, and in all circumstances, and everything had to be either "left" or right. But actually what is meant by "left" and what by right is quite vague. Due to ambiguities in the concept, it is inevitable that the terms are sometimes used inappropriately and sometimes even completely reversed. This situation existed before the "Great Cultural Revolution," and during the "Great Cultural Revolution" the greatest stress was placed on "left" and right and the most serious distortions of the terms occurred.

As a result of bringing order out of chaos, this problem has gradually been cleared up. However practical application is by no means easy. Take reform, for instance; certain comrades cling relentlessly to the "leftist" stuff of the past and regard reform as retrogression, rightist, and revisionist. Naturally this can be described as being haunted by the phantom of "leftism." However there is another situation: Things are in motion in time, time is moving forward, and things develop, so new principles and methods should be adopted in accordance with the new circumstances. Some people who are mentally ossified do not study the new situations and problems but stick to conventions; they do not want reform, and they do not let others carry out reforms either. In cases like this the objective lags behind the subjective, and it is in fact rightist, with no connection with "leftism." It is inevitable that sweeping general conclusions will be mistakenly reached if things are indiscriminately lumped together as "leftist" in cases where the phenomena are similar but the internal contents differ widely.

Moreover, when people make mistakes, as in the vast universe, there are an infinite variety of postures and attitudes, and all kinds of circumstances and factors may be involved, which are not necessarily linked to being "left" or right. There is "leftist" ideological influence in looking down on knowledge and suppressing and discriminating against intellectuals, but some people indulge in such practices mainly because they are benighted and

backward and do not understand the role of knowledge and intellectuals; and in some cases it is because they are selfish and jealous, with eyes only for protecting their own vested interests. Rightist viewpoints are playing a role when people prostrate themselves before things of the Western world and mechanically copy them; and in some cases this is also mainly because they are ignorant and stupid and do not understand how to analyze and distinguish things. As for mistakes in specific work, which may be due to bureaucratism, dereliction of duty, selfishness and neglect of uprightness, or irrational and imperfect systems, it is all the more difficult to link each and every one of them to "leftism" or rightism. What is needed here is specific analysis of specific problems instead of simply sticking on a "leftist" or rightist label. Although the method of sticking on a label saves effort, it is of no help in truly understanding and solving the problem. It is in fact the work style of the lazybones.

Of course, "leftism" and rightism do objectively exist, and so long as this kind of problem really exists, it should not and cannot be evaded. However that after all is a big word; a cattle knife should only be used to slaughter cattle; a different kind of knife should be used to kill a chicken.

Maybe it is a kind of conditioned reflex that even today some comrades still stick to talking about "leftism" and rightism whenever mistakes are mentioned. Now that we are stressing reform, it would also be better to reform that practice of thinking between two opposite poles. How about being cautious when talking about "left" and right from now on?

CSO: 4004/25

'OPENING A WINDOW' AND 'INSTALLING A WINDOW SCREEN'

Beijing RED FLAG in Chinese No 8, 16 Apr 85 p 47

[Article by Gan Feng [2413 5762] in "New Chats" column]

[Text] Opening up to the outside world is our established national policy. We cannot achieve the goal of modernization unless we open up to the outside world. Closing our door to the outside world will only cause us to get enmeshed in a web of our own spinning. What if some decadent and moribund things of the Western capitalist countries take the advantage to invade our country when we open up to the outside world? We are not afraid of this, because we have our "dual tactics."

This is just like a house which must have windows. Have we ever seen a dwelling without windows? Opening a window is aimed at letting in air and light. However, when we have opened a window, the mosquitoes and flies outside will also be able to take the opportunity to enter the room. Should we then stop up the window again with bricks? No, we should not. For only a fool will do that. What should be done? We should just install a window screen. By so doing, we can let in the air and prevent mosquitoes and flies from entering our room. First we should open a window and second we should install a window screen--these are our "dual tactics." Even if a small number of mosquitoes and flies do enter our room, the only thing we need to do is to wipe them out. There is no reason for making a fuss about this and putting the blame on opening a window.

This is also true for our country's implementation of the policy of opening up to the outside world. The problem now is not that we should open the door less wide; on the contrary, we should open our door even wider. First we should open our door, and second we should resist the invasion of the decadent and moribund things from Western capitalist countries. Neither of the two is dispensable. We should seek unity between the practice of "opening a window" and that of "installing a window screen." This is the only right approach that takes into account the whole situation. It is extremely wrong to doubt or even to oppose the open-door policy; but we must also resolutely fight the view that opposes "installing a window screen" and holds that we should allow the decadent and moribund things of Western capitalist countries to enter our country and spread unchecked.

Our country's socialist system is superior, but our science, technology, and enterprise management, and the level of development of our productive forces are still very backward. Therefore, we should learn from the West and draw in from them what we need. China cannot develop in complete isolation from the world, so it cannot close its door and be arrogant.

The West has advanced science and technology and a high level of development of its productive forces, but we can never say for this reason that everything in the West is good or even hold that the moon seen in the West is more round than the moon seen in China.

CSO: 4004/25



IS THE MONK'S MUSICAL INSTRUMENT REALLY EFFECTIVE?--THOUGHTS FROM READING  
'DOOR BELL'

Beijing RED FLAG in Chinese No 8, 16 Apr 85 p 48

[Article by Lan Ling [5663 5044] in "Review of Selected New Works of Literature and Art" column]

[Text] Certain living things, in order to suit to the environment, have gradually developed a special protective colored coating over their bodies, for the purpose of confusing the enemy, concealing themselves, and at the same time making it easy to attract victims in their hunt for food. Once people have lost their lofty ideals and beliefs, they will increasingly depart from being open and aboveboard. They will be like certain living things, and, in order to suit the complex changes of the political environment, will suddenly reveal their atavistic instinct to put on a protective colored coating. With the changes of time and the appearance of diversified forms and fashions, people of this type have steadily increased in number.

Since in life there are people of this type of every description, inevitably there are hostile writers who do not like them. These writers have penetrating eyes and are able, no matter how heavy the protective coating of this type of people or how thick the suit of armor they wear, to disclose the soul encased therein to the outside world. Without reading this kind of writing, whoever could believe that in real life and within the current ranks of our cadres, there are people who, with the help of an old monk's musical instrument, a small copper bell, have safely ridden out 20 years of heavy political storms, scaled the official ladder step by step, and eventually reached the position of being only one trade below that having the privilege of taking official soft seats in train rides--a fond dream in their later years. Writer Lu Wenfu, residing in a small alley in Suzhou and adept at writing cool and sarcastic descriptions of people, in his book "Door Bell" (see RENMIN WENXUE, October 1984 issue), gives a vivid description of Xu Jinghai, the image of precisely the above-mentioned type of person. In the study of historical tracts on the psychological changes of this type of person, the book has a knowledge value similar to that of an archaeologist discovering the fossil remains of a chameleon of millions of years ago.

Political campaigns not conforming to the objective laws of historical development present, from the negative side, an exceedingly good opportunity to know and understand the human soul. That the real soul of those being struggled against has been misunderstood is worthy of sympathy; the blind faith of those following others in struggling against other people is worthy of being understood and forgiven; the unscrupulous who, because of private grievances, confuse truth with falsehood deserve to be despised; while victims of struggles who dare not say a word have our utmost pity. In the antirightist struggles, Xu Jinghai, principal character of "Door Bell," "was neither struggled against, nor a principal in struggling against other people, but of his own accord determined his own fate." He was smart. He changed an old monk's professional instrument, a small copper bell, into a door bell, and thus converted a professional tool into an "alarm device." Whenever the door bell rang, he would put aside everything, grasp a book or newspaper and pretend to be deeply engaged in learning and studying. In the course of the antirightist campaign, his fantastic idea of protecting himself, though deceitful and ridiculous, was not at all wrong, but was pitiful. However, as time passed, because for more than 20 years he had managed to weather the danger and had actually obtained "half a life's official honor," what he next looked for was not only political safety as individual, but also steady promotion, on the basis of interests already obtained, to the position of a senior cadre. This course of events precisely illustrates certain defects of past policies relating to cadres and denotes how inefficient personages have managed to climb the ladder and how awards have been given to undeserving people. Indeed, the old monk's professional tool worked miraculously, effectively keeping in the dark those people supposedly controlling other people.

It is true that Xu Jinghai obtained security through converting a religious tool into a "political instrument," concealing himself within the four walls of his house. But his soul was gradually darkened; it turned grey and became vulgar and rotten. When two "modern people" came to visit him, he had to bring all the faculties he had cultivated over many years into full play. His face changed color many times, sometimes delighted, sometimes gloomy, and the changes were faster and more spectacular than the countenances of the characters in Sichuan drama. Inwardly, he was sometimes alert and sometimes envious. He wanted more or less to "show off" but avoided overdoing it, for fear that the guests would ask favors of him. What he could not understand was that one of his guests, Meng Deyi by name, who at one time had been his coworker and had been criticized as a rightist, could now be accompanied by a good-looking woman, he himself being clad in foreign clothes and wearing leather shoes. Moreover, he was entitled to take soft seats in trains, reside in luxurious apartments in high-class hotels, and receive a huge annual income, and was actually able to comply with his request to find employment for his daughter, and even to solve her problem of finding suitable living quarters after her marriage. How was it possible for Meng to climb ahead of him? Really, Xu found it hard to cry or to laugh. He was vexed and regretful, envious but cautious. As a matter of fact, in this era of great changes of the 1980's, even an ordinary person can understand and explain this new phenomenon of how Meng Deyi had managed to emerge "prosperous." As a medium-grade, Xu Jinghai did not understand, and was

unable to understand, because his fondness for learning and studying was false. He not only did not understand theories or policies but also failed to understand the actual situation at the moment. His thinking still lingered in the stage of his fixing up the door bell during the antirightist campaign. Hence, although, in a fit of rage, he dismantled the now deteriorated door bell, very soon he put it up again. "Guys who have not followed the proper road will surely some day have their car overturned." This was his conclusion upon following several decades of China's history. It was his "consciousness of the era" which actually lacked the substance of the consciousness of the era. Meng Deyi had a car accident, so to speak, when he was labeled as a rightist. Though reinstated, he could not sit safely in the car for long. It is difficult to alter one's character and some day Meng would surely have his car overturned again. Hence, for the sake of a future career of more promotions, it would be much better to stay behind the door bell by way of insurance, "regardless of the seasons of the year."

Nevertheless, the "Door Bell" has rung, and the door bell will be effective no more. This being the case, what would Xu Jinghai do? Who knows? But it is certain that the torrents of an age of reform will surely smash into his small yard. Will it bring tragedy? Or luck? The author, though being a seasoned writer, nevertheless had a Buddha's kindly heart and wished to put guys like Xu Jinghai on board the ship before the rush of the turbulent tide. If they really can remove the ineffective professional tool and step on board the ship of history, then really we have to thank the gods.

CSO: 4004/25

'READ ONLY WHEN YOU HAVE A GOOD BIBLIOGRAPHY'---INTRODUCING 'STUDY SOME BIBLIOGRAPHIES'

Beijing RED FLAG in Chinese No 8, 16 Apr 85 inside back cover

[Book review by Ling Xiao [0407 2556]]

[Text] "In reading books, it is most important to study the bibliography. Read only when you have a good bibliography; a poor bibliography renders your reading futile." This is what Wang Mingsheng, a scholar of the Qing Dynasty, wrote in his book "Discussions on the History of the 17 Dynasties." The meaning is that in reading and studying, the study of some bibliographies is necessary.

Classical bibliographical compilations are numerous, but mostly are dull and obscure, and are difficult to understand. Since the founding of the PRC, our country has done much work in compiling bibliographies. According to preliminary statistics, bibliographies compiled in our country over the past 30 years and more have increased by around 500 percent over those compiled in the previous 1,900 years. Unfortunately, the experiences of actual practice in this connection have not yet been earnestly summed up. The book "Study Some Bibliographies" is the result of the efforts made by one author in this connection.

The author would not abide by the old sayings, but strived to make earnest studies, bringing up some independent and creative interpretations. For example, encyclopedias published by certain countries, in their notations under "bibliography," all stated that bibliography had its origin in ancient Greece. Textbooks in the colleges of our country have also followed this interpretation. But the author, based on voluminous reference materials, reached the conclusion that our country was the first to have bibliographies and the study of bibliographies.

On the academic side, the author made earnest efforts in his investigations. The various chapters of the book such as those on "dual publications and texts," "minor prefaces," "title interpretations," "sections and volumes," all have fairly high academic standards. Regarding certain problems currently under discussion, the views of the author are factual, conclusive, and convincing.

People have frequently called the science of bibliography the science of book reading which points the way for studies. In order to meet the needs of readers, the author specially compiled in this book a section on "how to use bibliographies." In the section on "categories of bibliographies and standards for classification," he gave an introduction of the various kinds of bibliographies.

In the past, whenever the study bibliographies was mentioned, people thought the topic dry and obscure, and they were scared of it. The author of this book devoted great efforts to popularization of this subject. He explained the profound in simple terms, making it easy to understand. This is one of the special characteristics of the book.

"Study Some Bibliographies" is published by the Educational Publishing House of Anhui Province. The author is Xu Zhauxun. The book is now being re-edited. Its name will be changed to "The Study of Bibliographies."

CSO: 4004/25

END